

California. Legislature. Assembly.
Interim Committee on Municipal and County
Government.
TRANSCRIPT OF PROCEEDINGS; INCORPORATIONS,
SAN JOSE, AUGUST 8, 1958.

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ASSEMBLY INTERIM COMMITTEE
on
MUNICIPAL AND COUNTY GOVERNMENT,

San Jose, California

August 8, 1958. 153 p. (p) *

Transcript
of
Proceedings

INCORPORATIONS

Members of Committee

Clark L. Bradley, Chairman
Carl A. Britschgi
Ernest R. Geddes
Sheridan N. Hegland
James L. Holmes
Seth J. Johnson

William Biddick, Jr., Vice-Chairman
Herbert R. Klocksien
Frank Lanterman
Roy J. Nielsen
Eugene G. Nisbet
Gordon H. Winton, Jr.

Milton R. Farrell, Research Director Cristine B. Harrison, Secretary

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ASSEMBLY INTERIM COMMITTEE
on
MUNICIPAL AND COUNTY GOVERNMENT

Clark L. Bradley, Chairman

Hearing on Incorporation Practices
San Jose City Hall
August 8, 1958

Present:

Clark L. Bradley, Chairman
Carl A. Britschgi
James L. Holmes
Seth J. Johnson
Herbert R. Klocksien
Frank Lanterman
Gordon H. Winton, Jr.

Staff:

Milton R. Farrell, Research Director
Mrs. Cristine B. Harrison, Committee Secretary

TRANSCRIPT OF PROCEEDINGS

CHAIRMAN CLARK L. BRADLEY: The meeting will come to order. Is there anyone in the audience who cannot hear me? I think that we will dispense with these mikes because I believe the accoustics in here are such that we should be able to hear. However, if there are any of you who cannot hear the witnesses or the members of the committee, if you will indicate, we will arrange to have the speaker system turned on.

Ladies and gentlemen, this is a continuation meeting of the Interim Committee of the Assembly on Municipal and County Government. We met in Los Angeles last month on the subject of an investigation into the causes and motivations of the recent tremendous increase in the number of new cities being formed in the State of California. We met there for two days inasmuch as the County of Los Angeles has experienced the formation of seventeen

new cities in the last four years, whereas prior to that time there had only been one new city incorporated in 27 years. Santa Clara County, we believe, ranks second among the counties in the State with the number of new incorporations that have taken place. We are informed that San Mateo County has had two recent incorporations and they have held discussions pro and con on the formation of a third new city generally called, I believe, East Palo Alto, or in that vicinity. We have also invited from the County of Alameda representatives from the City of Fremont. It is a new city that is unique in that it covers a considerable area and includes in its formation previously existing cities.

The meetings that we have here are extremely informal in nature. What we want for the record are the personal opinions and statements of those whom we call on to address the committee, and when we have concluded our regular agenda, if there are others who wish to be heard, we will be more than happy to include you on our agenda.

The purpose, of course, of these interim hearings being conducted by the various committees of the State Legislature is to build a record which is subsequently studied, not only by the members of the Legislature but in many instances by other groups, and from these studies very often it is possible to formulate the basis of legislation as is indicated by the needs brought out in the studies. An example of this was the tidelands study made by the Legislature in recent years which subsequently led to an arrangement worked out between the State of California

and the City of Long Beach which returned to the State treasury something like 140 million dollars, am I correct, Mr. Klockslem?

KLOCKSIEM: Don't bring that up again!

BRADLEY: All right. Now I would like, before we get started, to introduce the members of our committee who are here today and our staff. On my extreme left we have Assemblyman Frank Lanterman from La Canada.

LANTERMAN: I should be on the extreme right.

BRADLEY: Well, I don't know how you got down there on the left side! Next to him is Assemblyman Herb Klockslem from Long Beach, Assemblyman Carl Britschgi from San Mateo County, our Research Director, Milton Farrell, and on my right our secretary, Mrs. Cristine Harrison, and next to her Assemblyman Seth Johnson from Los Angeles. We expect another two or three members of the committee. They are apparently late this morning but rather than delay any longer, we will proceed at this time.

Is Mayor William Lowe here from the City of Woodside? Mr. Lowe, you indicated that you would like to go on this morning so would you care to come forward now? Did you wish to say something, Mr. Britschgi?

BRITSCHGI: I might say, Mr. Chairman, in talking to Mayor Lowe yesterday I asked him if he would present the history of the Town of Woodside and why it was formed. Now they have no actual complaint and no ax to grind, but I asked him if he would be here to tell us just why the Town of Woodside was incorporated and the problems that brought all of this on. This is going to be

new for Bill and I didn't mean to put him on the spot by having him start things off. I told him that he could probably sit here for a while and find out how we operate; so, Bill, I'm sorry to put you on the spot the first thing.

BRADLEY: Well, Mayor, if you would like to wait. . .

LOWE: No, it's perfectly all right.

BRADLEY: Generally speaking, Mayor Lowe, what we have been seeking to obtain in the way of information is the background of the reasons for incorporation. If you know of the proponents' position, you might state that. If you know of the opposition's position, you are free to state that. If you have any problems of a municipal nature in connection with zoning, streets or public services, since your incorporation, we would be interested in knowing these. If you have been incorporated on the basis of what is generally known as a single-purpose type, or if you are residential in nature, or industrial in nature, you might state that. Before you start, I am very happy to introduce to the group Assemblyman James Holmes from Santa Barbara.

HOLMES: Thank you, Clark. Good morning to you.

BRADLEY: Mr. Lowe, if you will proceed, we will be very happy to hear from you.

WILLIAM LOWE, Mayor, Town of Woodside: Woodside incorporated on November 16, 1956. The reason for incorporating was actually to keep Woodside a rural community, not to make it a city. We are a purely residential area; we do not want commercial areas or factories. We have zone ordinances that run from

three acre restrictions to one acre parcels and we also have some areas that are as low as 10,000 square feet. These are relatively few at the present time. The reasons for incorporation were set out in a booklet by the Woodside Citizens for Incorporation and those reasons are as valid today as when we had the election:

(1) Incorporation is the only certain way to end the threat of annexation of parts of Woodside by cities to the east of us; (2) Having our town council and town planning commission is the only legal and effective way to prevent undesirable subdivision of undeveloped land within the Woodside boundaries and to control commercial encroachments; (3) If we incorporate, we can elect residents of Woodside, pledged to preserve Woodside as a country community. By intelligent use of the ballot we can assure that Woodside problems will be solved by our chosen representatives who are familiar with local conditions and responsive to local desires; (4) If we do not incorporate, recurring efforts to break down county residential zoning and to expand commercial development in Woodside are inevitable. Our only recourse would be continued protest to the county authorities by individuals or pressure groups. It is highly improbable that these methods will be effective indefinitely; (5) Until we incorporate, no one can speak authoritatively for Woodside in dealing with State and county officials; (6) Only by incorporation can Woodsiders manage their own local affairs and insure that the Woodside of the future will be a pleasant place in which to live, as is the Woodside of today.

The committee that has studied incorporation started after the war when a great number of subdivisions were going in. We started the studies in order to determine how we could avoid becoming an incorporated community. Those of us who were against incorporation from the beginning swung around completely when we found that we were without any legal status and finally in 1956 the efforts toward incorporation culminated in Woodside becoming a city.

BRADLEY: Would you give us that date again, Mayor?

LOWE: November of 1956.

BRADLEY: Now, Mayor Lowe, could you give the committee the approximate size of the City of Woodside? Is it a mile, two miles square, or what?

LOWE: Woodside is 12 square miles.

BRADLEY: Twelve square miles.

LOWE: And the population at the time of incorporation was slightly over five thousand.

BRADLEY: Do you know what the assessed valuation was of the area at the time that you incorporated?

LOWE: I believe it was around eight and a half to nine million dollars. It is now someplace between ten and eleven million.

BRADLEY: You mentioned that the city has not desired industrial activity within the city limits. Do you specifically provide by zoning ordinance for the exclusion of industrial zoning?

LOWE: Our master plan and zoning ordinance is not completed as yet but it will provide for that.

BRADLEY: And how about commercial development?

LOWE: We want as little commercial development as possible to take care of the everyday needs of the citizens.

BRADLEY: At the time of your incorporation, Mayor, did you have any estimate of the number of miles of county roads that were within the proposed city?

LOWE: Yes, I believe that there were around 30 miles of county roads, and there was also the State highway running through Woodside.

BRADLEY: Now since your incorporation has the city been able to meet the maintenance and repair problems of these roads that have been taken over by the city?

LOWE: To date we have.

BRADLEY: Do you feel that the city is confronted with any problem on this particular point in the future?

LOWE: I would say that a great deal depends on how we keep our roads - at what standard. We personally like the country lane type of road, but the new Serra Freeway will be cutting through Woodside both north and south and east and west, and the connecting links, if we have to take care of those, may bring a problem.

BRADLEY: How do you provide for your municipal services such as police protection and fire protection.

LOWE: We have a separate Woodside Fire District. For police protection we have a contract with San Mateo County.

BRADLEY: And in connection with your contracting with the County of San Mateo, approximately what is the contractual price for the services?

LOWE: Well, it depends on which services you mean.

BRADLEY: The police first.

LOWE: On police service we only have at the present time the regular county service plus one police car, eight hours, seven days a week, for traffic control at approximately \$11,000 a year.

BRADLEY: So far has the city council felt that this has been a sufficient service to meet the needs of the City of Woodside?

LOWE: So far, yes.

BRADLEY: Are you contemplating any changes in this particular type of service?

LOWE: No, we are not.

BRADLEY: Are you contemplating any changes in this particular type of service?

LOWE: No, we are not.

BRADLEY: What is the principal base that you use for taxes? Do you rely mainly on the ad valorem tax?

LOWE: Yes, we have a ten cent tax rate.

BRADLEY: A ten cent tax. Has that been the same tax rate you've had since you incorporated?

LOWE: Yes.

BRADLEY: And do you have some commercial activity within the city so that you get a sales tax?

LOWE: We have no sales tax.

BRADLEY: As I understand it, San Mateo County does not have the uniform sales tax ordinance so that if you did have a sales tax it would have to be a city sales tax adopted by the City of Woodside.

LOWE: That is correct.

BRADLEY: Do you or do you not have such a city sales tax?

LOWE: We do not have a city sales tax.

BRADLEY: What is the extent of the commercial development within the City of Woodside?

LOWE: We have three gas stations, two restaurants, four bars, four or five food stores, a barber shop, a garage. . .

BRADLEY: You then do put emphasis on the rural type of community?

LOWE: That, I would say, was our basic reason for incorporating.

BRADLEY: Are you within a sanitary district or a sanitation district?

LOWE: No, we have only septic tanks.

BRADLEY: I see. At the time of the proposed incorporation of the community, were the proponents of annexation approached by any particular organization or group offering its services to assist in the incorporation of the city?

LOWE: Well, at various times. First of all when we made the study, we had three local attorneys write the report as

to what we should do to protect ourselves so that we could remain rural and their conclusion was, after studying the situation, that we should incorporate. This was in 1947 or '48. In 1953 I believe the Coro Foundation made a study for the Town of Woodside. In 1956 or the end of 1955 - I'm not quite sure of these dates - the Woodside Citizens for Incorporation hired the services of Louis J. Kroeger and Associates.

BRADLEY: And did Kroger and Associates carry out or assist in carrying out the incorporation of the city?

LOWE: Very definitely, and our first clerk on a temporary basis was Miss Jane Hicks from the Kroeger organization.

BRADLEY: Were there any other city officials or offices where employees were furnished by Kroeger and Associates, other than the city clerk?

LOWE: No.

BRADLEY: Now, do you recall what the contract price was for the services performed by Kroeger and Associates?

LOWE: I do not know that because that was handled by the Woodside Citizens for Incorporation.

BRADLEY: Prior to incorporation I believe that Woodside could be identified as a community, a very definite community. Isn't that true?

LOWE: Yes.

BRADLEY: Woodside was quite unlike some of the other sections in the State, particularly down south where you start out with a naked field and in the matter of a year or two you've

built a whole city. Woodside as a community, I think the record should show, was fairly old, was it not?

LOWE: Woodside, I believe, was one of the earliest towns in San Mateo County. It was a lumber center from Half Moon Bay on the way to the Port of Redwood City.

BRADLEY: As such, did it have anything in the nature of a chamber of commerce?

LOWE: Not a thing.

BRADLEY: You have now?

LOWE: No, we do not.

BRADLEY: You mentioned that one reason for incorporation was the threat of annexation. How close was the community of Woodside to the nearest incorporated city in San Mateo County? Approximately how close?

LOWE: On the northeast side is Redwood City, and then comes another unincorporated area as you move south; then there is Atherton and Menlo Park.

BRADLEY: Had any of these three cities by either method of annexation - by that I mean by the inhabited or uninhabited territory proceedings - annexed territory in the direction of Woodside prior to incorporation?

LOWE: I can't say that they were definite annexations. However, the Redwood City School District came over the hill, and although it was within the school district, it was on the very edge of what we consider the heart of Woodside, and bought a piece of property on Canada Road. Also there were the Oddstead developments. Mr. Britschgi, what was the name of that . . . ?

BRITSCHGI: Farm Hills.

LOWE: Farm Hills Development, which is in Redwood City and parts of it have since been annexed where the property came right over the hill into Woodside proper.

BRADLEY: Since the incorporation of Woodside, has the city itself carried on any annexation proceedings?

LOWE: Only where we have been asked to do so. There was a small portion of land out near the Skyline Boulevard. . .

BRADLEY: Could you very briefly summarize the arguments that were presented by the group opposing incorporation? Do you recall what they were?

LOWE: The arguments against incorporation were (1) tax rate, (2) petty politics, and (3) what might start out as a very small town would eventually become a very costly operation. I think those were the main reasons.

BRADLEY: Are there any questions from members of the committee? Mr. Johnson.

JOHNSON: Are you surrounded now by incorporated cities? You made some statement about this but I didn't get it.

LOWE: No, we are not. The incorporated cities are mainly to the east of Woodside; to the north are the lands of the San Francisco Water Department, to the south is Portola Valley, and to the west are the lands of the California Water Service and San Mateo County.

JOHNSON: Do you recall about what the vote was for incorporation and against?

LOWE: Yes, it was very close, as a matter of fact, we had to wait for the absentee ballots to be in to find out whether we were an incorporated town. We eventually won, I believe, by twenty votes.

BRITSCHGI: Mayor Lowe, would you tell us what help you received from the board of supervisors or any of the various departments of the County of San Mateo, such as your planning commission and the other various departments that you would be interested in. What help did they give you when you were seeking information as to whether you should incorporate or not - or did you get any information from them?

LOWE: All the county offices and staff were very helpful in supplying us with information. That also went for State agencies. We did not find at any time that anybody was trying to oppose what we were trying to do or were holding back information from us.

BRITSCHGI: One other question. When the boundaries were set, how about the boundary commission, were they favorable to your boundaries or were there any changes made at that time?

LOWE: Changes were made in the boundaries but they were minor. I was not on the committee that drew up the boundaries, but the boundary commission, I believe, was asked by a group of citizens living in the southwestern corner at La Honda Road and Skyline Boulevard to exclude them from the town boundaries but their request was ignored.

BRITSCHGI: There is one question I have been asked to answer for the Town of Woodside and I think maybe you can

throw a little light on it if you would, Mayor. The main artery to the town is called Woodside Road, which is a State highway, and I understand now that there is some trouble with the State Highway Patrol as to the patrolling of that particular highway. Could you give us some information on that? Maybe we can help you somewhere along that line.

LOWE: From the time of incorporation, the California Highway Patrol patrolled the roads through Woodside. They were mainly Woodside Road from our boundaries to La Honda, Canada Road, Whiskey Hill Road, Portola Road, and the north, south, east and west main arteries. They were very helpful. One of the things that we were hoping we could be able to do was to contract with the Patrol to continue this service as they had for so many years, but unfortunately as of June 30 we were forced to take over this service ourselves. We would have preferred having the Highway Patrol continue, whether on a contractual basis, if that was necessary, or as a service provided by the Highway Patrol.

BRITSCHGI: What led to the Highway Patrol's announcement that they wouldn't be available as of July 1, or whatever date it happened to be?

LOWE: I believe that although there was enabling legislation at the last session of the Legislature, the Finance Department has not been able, or could not work out the necessary fees or charges back to cities for this service that the Patrol would perform.

BRITSCHGI: Thank you.

BRADLEY: Mr. Lanterman.

LANTERMAN: Mr. Mayor, I would like to ask this question relating to your motive for incorporation. Was there at any time trouble with county planning as an impending difficulty within the area which you incorporated to impose upon you against your will any type of planning or zoning that was unacceptable to the community?

LOWE: As I recall it, there had not been to that time but there were the threats of subdivisions which we did not like that were beginning to creep over the hill.

LANTERMAN: A form of creeping socialism you didn't want, in any event, as far as the impact upon your community of increased population and the services that would be needed.

LOWE: That is correct. We also have the basic feeling that where there are some open spaces left in San Mateo County the citizens who have bought property and expect to lead a rural life should be left alone and should be masters of their destiny, so to speak.

LANTERMAN: Well now, unless you adopt a charter, your ordinances can always be changed. Of course charters can be changed but your ordinances can be changed as your councilmen are changed, and with the intrusion of more outsiders, so to speak, that can happen. Now what will be your protection from the standpoint of permanent status for your rural identification and rural type of community down through the years?

LOWE: We hope to have the same continuity of thinking and outlook that has been evidenced in other areas of the same type, such as Hillsborough and Atherton.

LANTERMAN: You don't anticipate, in any event, having this creep up on you as far as changing conditions are concerned so that your incorporation would no longer be a protection for you.

LOWE: Well, we hope it won't.

LANTERMAN: One step further. Was there ever at any time any impending industrialization suggested for the area - rural factory type of installations?

LOWE: Not rural factory but there were people who did want to take pieces of land for commercial developments, like shopping centers.

LANTERMAN: Shopping centers. You have no shopping centers now?

LOWE: Not in what is now in common language known as a shopping center. The Town of Woodside is our shopping center and it is just a little rural two-by-four shopping center.

LANTERMAN: In any event, your prime purpose was status quo and wishing to maintain that as a permanent qualification of the city.

LOWE: Yes.

LANTERMAN: Thank you very much.

BRADLEY: Mr. Britschgi.

BRITSCHGI: I might say, Mr. Chairman and Mr. Lanterman, in all modesty our good Mayor here was elected as the first mayor and has been since re-elected; the entire council stayed on unopposed so apparently they are going to stay just as they are.

LANTERMAN: The only thing I was going by was that split vote on incorporation.

BRITSCHGI: Well, since that time everything has gone along just fine. Everybody's happy.

LOWE: We hope.

BRADLEY: I have just one more question, Mr. Mayor. Do you recall what the amount of your budget was for your first full year of operation? Just in round figures.

LOWE: I believe it was around \$68,000.

BRADLEY: And do you know what your second year's budget was or will be?

LOWE: Just about the same.

BRITSCHGI: Along that line, Mayor, didn't the County supply you with the money to get started at first? Didn't you borrow money from the County?

LOWE: Yes, it was done through the bank and I can't give you the details on that.

BRITSCHGI: I think that what we are trying to drive at is that the County of San Mateo certainly had no objection to Woodside being incorporated and they made every effort to help the Town of Woodside.

LOWE: Well, the timing of our incorporation was also fortunate because we got some money in through the State shortly afterward.

BRADLEY: Do you know of any moves at the present time to disincorporate or to promote a disincorporation movement? Do you know of anything like that?

LOWE: We do not know of any movement of that type at the present time. The Woodside Valley Property Owners' Association which led the fighting against incorporation has to date been very cooperative and has worked with the town council.

BRADLEY: Thank you very much, Mayor; we appreciate your taking the time to appear before the committee.

Ladies and gentlemen, I am pleased to introduce Assemblyman Gordon Winton. Gordon, we're glad to have you here.

Mr. Antonacci, I believe that you would like to make a presentation to the committee in regard to the relationship of the unique greenbelt zoning of this county as it relates to the formation of cities. Would you introduce yourself, Mr. Antonacci, and identify your position with the City of San Jose?

MICHAEL H. ANTONACCI, Planning Director, City of San Jose: Mr. Chairman and members of the Committee, first I will introduce myself. I am Michael H. Antonacci, Director of Planning for the City of San Jose, and my principal purpose in representing the City of San Jose here this morning is to give you a general statement on the position of a city such as ours in regard to incorporation. I have just sent for copies of the master plan of the city which, if I'm not too presumptuous, I would like to present to each member of the committee. My statement is very brief. First it is to the effect that well established cities which are the core of metropolitan areas should be encouraged in their growth. My reasons are that they are as a rule well planned, have major sewerage and drainage facilities which are becoming

one of the heaviest and the greatest of all economic factors in the urbanization of our areas, and have basic services which are required and demanded by the people who wish to live in urban environment. I refer to police, fire, public works, health, and services of that type. Furthermore, they have long established public school systems. The City of San Jose is now involved in master planning with 20 school districts. The San Jose Unified School District, the largest and first in its establishment, is one that is economically sound in a sense that it receives no subsidy from the State of California. It is not a distressed district and that is because of the sound economic status of the metropolitan core of this area, the City of San Jose. You will find as you go up and down the State, and I don't wish to presume to give information on this, but metropolitan core cities like San Jose are as a rule on a sound economic basis. I wish to add that I think no road blocks should be placed in the path of the logical growth of metropolitan core cities.

We are now servicing cities with sewerage capacity which if they were on their own and were to provide for themselves would necessitate bond issues of eight or nine million dollars, whereas we charge one city only three thousand dollars a year for their required capacity. Now, San Jose as the core city is not only providing itself with good sewerage and drainage facilities but is to a good extent carrying some of the neighboring communities in the areas which surround the City of San Jose, such as District 2 and District 4.

Your Chairman mentioned greenbelting and I would like to mention that since it has become in some respects a problem. We are trying to resolve the fundamental purpose for which the law was established - and as you know, it applies only to Santa Clara County - in order to preserve good and prime agricultural areas. Of course as a planner of an area which is growing up more rapidly than any area in the west, I must take into consideration the large number of people coming here. Several years ago we had a committee hearing in Washington. Our Governor testified to the needs, insofar as water supply is concerned, of 40 million people. Well, 40 million people have to be placed somewhere and they should be placed in the areas which are soundly developed, which have good economic basic structures, and which have the services which the people require. There are incidents where golf courses and things of that type have been greenbelted. I am absolutely in accord with open spaces that should be permanently acquired for posterity. In that sense I would like to make the statement that the City of San Jose in the past eight years - it is now almost 108 years old - has bought more real estate for the benefit of the people, not only moneywise, because naturally the dollar we know has shrunk through the decades, but has bought actually more area for public service in the last eight years than in the preceding 100 years. We are endeavoring to establish the open spaces on a permanent basis dedicated to the future generations of this area. So, unquestionably, since your chairman referred to it, some scrutiny should be made of any road blocks, of which green-

belting may be one, which exist and which keep well planned and well established cities from extending their boundaries into the area in which they can very easily, economically and physically well serve.

I would like to leave that as the statement for the City of San Jose.

BRADLEY: Mr. Antonacci, could I ask you a question? I take it that you perhaps would have an opinion as to whether or not there is a possibility in the future of some of these new cities that are being born in the State of California annexing to the larger established cities. Do you have such an opinion and if you do have, what would be the basis of your opinion, either as it may be in the affirmative or the negative?

ANTONACCI: I know from experience that the consolidation of cities has worked to the mutual benefit of all concerned, and particularly to the smaller city. We recall that in 1912 we had a neighboring city called the City of East San Jose and it was situated in an area where drainage was very poor. They were served entirely by septic tanks at the northerly fringe of their community. They consolidated with the City of San Jose and immediately got sewerage capacity, and with sewerage projects and drainage projects have lifted themselves pretty well out of a situation which was very pitiful at the time. Not too long ago another city incorporated on the southwesterly fringe of the City of San Jose called the City of Willow Glen. In 1936, fundamentally for sanitary purposes, although they were also pretty well involved on one street

department project which some of you might remember, they also consolidated with the City of San Jose. We have quite a number of neighboring cities. Whether they should consolidate or not is not for me to comment on at this time. I do know that one of them, almost in the heart of the City of San Jose, the City of Campbell, has had sewerage and drainage problems and they are now within our sewerage system on a very nominal basis. There is another community, the City of Santa Clara, also in our sewerage system. Those are all cities which have had expansion programs because they were really, to use a very common expression, taken off the hook by the major city. I am an engineer by profession. I've done sanitary work as the former Assistant City Engineer, and I know that these communities would have had to pass bond issues for substantial amounts to provide a collection system for sewerage.

BRADLEY: I was going to say for the record, the City of Santa Clara is an old established city and the City of Campbell is a fairly new city.

ANTONACCI: Yes, sir. I believe the City of Santa Clara is on a 25 year contract basis of \$2975 a year, a little less than \$3000, plus sewerage capacity on the basis of six million gallons per day. I believe they exceed their capacity, but our City Engineer would have to testify to that. I know that the contract is on a basis of 600 gallons per day because it is roughly about a tenth of our total capacity. It's a very nominal amount, you will admit.

BRADLEY: Mr. Britschgi:

BRITSCHGI: How long have you been with the City of San Jose?

ANTONACCI: I am in my 36th year, sir. The first six years I was in public works and ended up as Assistant City Engineer. In December I will have served for thirty years as Director of Planning for the City of San Jose.

BRITSCHGI: I can remember the controversy between Santa Clara and San Jose on annexations about 15 years ago.

ANTONACCI: Well, post World War II really.

BRITSCHGI: Yes. I was quite surprised the other day when driving on the Saratoga highway I came out of the little town of Saratoga and saw the sign "City limits of San Jose". Now, can you explain to me how you ever got over that far? I don't mean to be asking a facetious question but I was just wondering how the city limits of San Jose ever got over that far.

ANTONACCI: I am glad you asked that question because the map on the right, which is about four months old, shows that insofar as land use pattern is concerned, the limits of the City of San Jose and the zoning of the various areas. It was prepared at the time we dedicated and first occupied this building. You will note that as you extend westerly - since I'm not on a microphone, I believe I will go to the map if I may.

BRADLEY: Just a minute, Mr. Antonacci, we'll have to pull a mike over there so we can pick this up on our transcriber.

ANTONACCI: The extreme left end of the map, and it's a little difficult for you to see, is the area just northerly of

the boundaries of the City of Saratoga. There were a number of annexations which extended westerly to the Saratoga Road, then southerly along the Saratoga Road, and you will note on the extreme left where there is a large section of yellow, that it is almost completely filled up insofar as annexation to the City of San Jose is concerned. Now, also in the report, and if I may turn you around and refer you to the map on your right, you will note the planned areas of the city. In other words, we have not per se extended ourselves into any area whatever without first having analyzed the entire district very carefully and planned it very carefully. I have many exhibits which could be used, a number of them are shown on the map, but you will note that the far left side of the map has an area in yellow. That is the area which is just northerly of the City of Saratoga - it goes along Prospect Road which is the southerly boundary of the area in yellow and is also the northerly city limits of the City of Saratoga. It is a straight line; it is a homogeneous area which we have developed to a good pattern. Also to the right of that is one in green. That is also filling up rapidly. Then in the lower left-hand corner you will note a rather bright red area. I recall that our first annexation to that area was a very unusual and miserable shape. We had studied the entire area and found that on a very low density pattern it is sufficient for a community of 90,000 people. You will note if you turn again to the map on the right, which lacks about 5 or 6 hundred acres which have been annexed since, that that area is filled in pretty well. So the last thing

we wish to do is to go into an area without having analyzed it carefully from the standpoint of planning, from the standpoint of the services which they should need, and from the standpoint of the economics of the area. We do not want an area which will become a burden upon the rest of the community and which could not be ultimately provided with those services which the area should have or the people of the area should have. We have here another area which extends from Moffett Field to Evergreen and from the hills of Alum Rock on one side to the hills of Saratoga and Los Gatos on the other. It is an area which is exactly six times that of the City and County of San Francisco, or 270 square miles. We now have in a major portion of this area a population density of about one-third that of San Francisco, and I hope it gets no higher. Well, it's easy, and I don't wish to be academic here, to indicate that with an area six times that of San Francisco and a population density of one-third we are destined for a million and a half people in the area. So, it is the responsibility of the City of San Jose as a major city, the County, and of course the other cities, to plan thoroughly for a million and a half people. We are going to have them here whether we like them or not. And with low density patterns, we can't escape a population of well over a million, so we are trying to soundly plan the physical development and economic development of the entire area. If I may, in my humble position, I would like to state that we take pride in having done that so that the people of tomorrow may have the permanent open spaces, the parks, the schools, and the

well-designed thoroughfares which they should have. Consequently, and I am returning to my fundamental and first statement, the growth of core cities in metropolitan areas should be encouraged rather than stymied.

BRITSCHGI: Could I ask one more question? Mr. Antonacci, your sewerage plant is located down near Alviso. Is that within the City of San Jose?

ANTONACCI: I believe the plant is within the City of San Jose but I would want better testimony from the City Engineer. There are some sections which we have annexed to the city in that area but I think that some of the property we own is still outside the city - but as I said, the annexation process has been going on so rapidly that I am not up to the last . . .

BRITSCHGI: Tell me this, I can see that taking all this wonderful property up around Campbell and in that area is a smart move, but how about poor little Alviso? Are you going to annex them one of these days?

ANTONACCI: Being an individual who believes in the democratic process, I feel that that should be entirely up to the people of the City of Alviso. I just wish to make one comment. Some of our uninhabited annexations may look very odd insofar as the shape is concerned. We all are prone to think that annexations by the election method are the most democratic, but they are not. You all have seen cases where bond issues and annexations were carried out and effected by tenants and not by property owners. We annex, in most cases, by the process of uninhabited law and the property owner has the most to say there.

After all, he is the taxpayer who will assume any burden which is imposed upon him through the process of incorporation, annexation or consolidation with another city.

BRITSCHGI: Thank you.

BRADLEY: Mr. Lanterman, then Mr. Holmes.

LANTERMAN: Mr. Antonacci, I am very interested in this growth pattern of the City of San Jose. I have been on this committee for eight years and my first exposure to this problem in this area was in the first session I attended in 1951. The City of Santa Clara and the other little communities not yet incorporated were battling for their own determinations. I remember the process of Pruneridge and other such uninhabited procedures - "uninhibited" is a better word - but the point I'm getting at is in a metropolitan area if we have a sanitation problem, why don't we make it a metropolitan sanitary district and take over the burden from the City of San Jose and spread the load to those who are going to need it. The question that I want to put is, does the rental fee by the City of Santa Clara directly relate to the cost to the taxpayers of the City of San Jose for the installation of that capacity?

ANTONACCI: Yes.

LANTERMAN: It does take care of the bond?

ANTONACCI: Oh no, no, no.

LANTERMAN: A proportionate rate?

ANTONACCI: Oh, no.

LANTERMAN: It does not? Well, who is picking up the tab?

ANTONACCI: The City of San Jose, the people . . .

LANTERMAN: You mean the taxpayers of the City of San Jose?

ANTONACCI: Yes, sir.

LANTERMAN: Well, then why isn't the tax rate, or the contract with the contracting city, a proportionate representation of the tax burden to the people of San Jose in relation to their use?

ANTONACCI: You are correct and I agree with you 100 percent, but that is not the fact. \$2,975.00 a year . . .

LANTERMAN: That's a token payment. That has nothing whatever to do with a proportionate share.

ANTONACCI: That's right. It is a gesture. It was a friendly gesture toward a community that was in dire need at the time, and would have needed a very substantial bond issue. If anything, it was I think, promulgated out of the friendly neighborly attitude on the part of the city council of the City of San Jose. The same with Campbell. I remember in 1941 being the villain when I raised some objection to the giving of sewerage capacity to the Burbank district, the Sunol district, and the City of Campbell, on a very nominal basis - ten cents per \$100 of assessed valuation. We were getting back about \$800.00 from the Burbank Sanitary District.

LANTERMAN: Of that, which cost the City of San Jose how much?

ANTONACCI: Originally, very much. Of course you have to make a very sound economic study and we engineers know that you

cannot provide facilities for a song. The only fortunate situation, Mr. Lanterman, was the fact that almost 80 years ago a very farsighted German engineer named Pieper developed for us a five foot egg-shaped brick sewer with a capacity of 60 million gallons per day. Since we had capacity and our neighboring cities were in dire need of sanitary facilities, our city council I would say out of the goodness of their hearts, whether it was wise or not - and I should not comment on my superiors or the legislators of the city - let the neighboring communities for a very token amount have sewerage capacity. The City of Santa Clara I recall was in a very bad situation as far as the annexation of any territory was concerned. I went into it thoroughly with their engineers at the time and they mentioned that they could not annex since they couldn't sewer annexed areas. That's how the Kaiser tract, the very first tract that we annexed to the west, the Bascom area, became a part of the City of San Jose. They wanted sewerage facilities and yet could not get them from any other source.

LANTERMAN: Is that the reason for the development approaching the boundaries of Saratoga?

ANTONACCI: We were also in a position to sewer them and we do sewer them.

LANTERMAN: And they do not pay anything but a token payment?

ANTONACCI: I do not know what the contractual amount of District 4 is, Mr. Lanterman.

LANTERMAN: You don't believe in a free ride, do you!

ANTONACCI: I do not believe in free rides at all. As I stated, and I believe as our former Mayor and Chairman of this Committee mentioned, our city planning commission consistently has recommended against what you term, and what in reality is to a good extent, a free ride.

LANTERMAN: Of course good neighbor policy is always understood to be a desirable thing between communities. The only thing that I'm concerned with are the economic factors involved and how this will affect the taxpayers of the core city in the long run, and if they do contract for any service, whether or not it should be on a cost accounting basis. The same question is now arising in Los Angeles County where Los Angeles County has been acting as an agency of government contracting with newly incorporated cities for services on a cost accounting basis. Nobody should pick up a subsidy and in relation to the City of San Jose - I'm not trying to be critical or to extend the discussion in this field because it's a basic policy that I'm concerned with. It goes beyond your local problem. It goes into the problems of all of the metropolitan areas of California. It is something that we in the Legislature are going to be concerned with; that is, is there going to be subsidy involved in any contractual service between any agencies of local government or shall it be on the basis of a cost accounting structure of pay for services received, regardless of the nature, so that the taxpayer of any unit does not have to pick up a hidden subsidy. Now that was the reason why I have extended this discussion relating to your sewer system

and whether or not it would be wise for the cities and all of the county to get together on a metropolitan concept and come up with a joint ownership and a joint operation of that which they use jointly.

ANTONACCI: I'm glad to get your statement on that because it is fundamentally sound. Economically and physically it is sound.

LANTERMAN: But that is not the case here. I mean the City of San Jose is still the fundamental agency to handle the main sewer because it was built as you said many years ago with great foresight.

ANTONACCI: I don't wish to appear critical of our former councilmen and present council, but I will admit that some of us would look at the problem strictly from an economic standpoint and a physical growth standpoint. Where matters of health are concerned, they in their more Christian-like, shall I say, attitude realized that health hazards knew no boundaries and where neighboring cities were having immediate problems, which even if they had bond issues would have taken several years to remedy, they felt in the goodness of their hearts that neighboring communities should receive some immediate help.

LANTERMAN: Isn't it similar to an area where there is an improvement district within the city that the people in that area pay their share of that improvement benefit?

ANTONACCI: That's right, sir.

LANTERMAN: And this is not the case in your sewage program. Now I'll ask just one question more. You have indicated

that you do not think any road blocks - I presume you would describe the experiment in greenbelts which of course has been long established in England and is a tradition there - that you just simply can't go any farther than this in your expansion of city government. The Ministry of the Interior and Municipal Government in England, Her Majesty's Government, has said beyond this you cannot go. We need this for agriculture; we do not want any further expansion. Now you have indicated you don't want any road blocks. Is it your opinion that small communities should not have the authority to do what Woodside did to incorporate?

ANTONACCI: I'm not familiar with Woodside and I couldn't hear the previous testimony too well.

LANTERMAN: Well, a 12 square mile area wanted to stay rural so they used the method of incorporation to prohibit any further intrusion into their area of built-up closely compacted urban types of development.

ANTONACCI: If they remain as such, as as you say carry their own burdens and pay for their own amenities, shall I say, it's perfectly in order.

LANTERMAN: You don't consider that type of incorporation a road block to the aspirations of the City of San Jose.

ANTONACCI: No, sir.

LANTERMAN: Thank you, Mr. Antonacci.

BRADLEY: Mr. Holmes.

HOLMES: Mr. Antonacci, I would like to ask you just one question. I am new on the committee, this being my first term

on the committee, and I haven't had the experience that my honorable colleague Frank Lanterman has, but you have been speaking of orderly expansion and economically feasible expansions. In looking at the map up there, would you say that that's orderly and economic expansion?

ANTONACCI: Only as it relates to the fundamental studies in the patterns to which we have grown. One of the fundamental patterns which guided us in the establishment of that map was not only the economic phase but drainage, and after all, terrain is very important. The terrain of the area indicated to us certain logical distances which in themselves could make communities as a portion or a part of the City of San Jose and could be logically planned both physically and economically, and I have to refer to both maps when we discuss that. Naturally I know of instances where a small subdivision with possibly two or three dozen homes with a small number of registered voters have caused annexations to cities. Most of the uninhabited annexations - although we have had and are now having some elections by the inhabited process - are at the will of the developer or owner who had title to the land and who is paying the burden of taxation on that piece of land and would pay any increase or any change in the burden.

HOLMES: Does the City of San Jose hope at a future date to fill in all the white area up there as part of the city?

ANTONACCI: On the map to the left side is an area which is in yellow, two in green, and another in red, which we cannot help but fill in. It's now filling in rapidly. As I

stated, we made this map for the benefit of the council when we dedicated this building. It is now about five months old and we have filled in many areas since then. The one that was criticized the most - the one on the far side in yellow which is just north of the City of Saratoga - is one that has filled in almost to a complete area today - a community in itself.

HOLMES: Economically, though, the way the fingers go out, as shown on the map there, is it or is it not expensive for police protection, fire protection, and all that?

ANTONACCI: Yes, but we do not find that it is. To begin with, as they annex something is happening. First they are being built to good building code regulations. The space requirements for residential development is higher today than it has ever been in the history of the City of San Jose. Our incidence of fire needs are less and less in the well developed areas. Our industries naturally are built on a much better and more sound structural basis. If we work to take an area such as I mentioned north of Saratoga, or north of Campbell, or southeasterly of Campbell, and just have one or two annexations and stop there, what you say would be absolutely correct, Mr. Holmes, but because of drainage facilities and sewerage capacity, they are annexing to the City of San Jose, and those districts can't help but do this. Consequently, recognizing this, we planned it as an entire district. We have many exhibits which your chairman can attest to in which we design and plan every area - first on a comprehensive basis and then on a neighborhood by neighborhood basis. As I

mentioned, I believe early in my statement, we are now working with 20 school districts master planning to lay out their school systems so that they don't have too much overlapping, proper distance between them, and so that a sound economic structure is developed not only by the municipality but by the school districts which now are within the city limits of the City of San Jose.

HOLMES: In many of those areas, do you depend on the Sheriff's Department of the County for policing?

ANTONACCI: No, we have a well established and comprehensive police department and a well motorized one. You will find that with the exception right now of the IBM area which has changed somewhat even since this map was made, and the golf course area of Almaden, which has only the golf course, that the other areas have grown substantially so that we are placing firehouses in all of them. In fact, we immediately go to an area and take over a residence and remodel the garage and put a piece of equipment there. Now we are preparing to build substantial equipment houses for three and four pieces of equipment. We are in the process of acquiring some land in the area which is in red for a branch library and an administrative center. The questions you ask are very sound, Mr. Holmes. To just extend an arm into an area and let it die there is not good planning; it's not control.

HOLMES: Well, what I wanted to get clear was the feature of expansion. I lived in San Jose until 1942 . . .

ANTONACCI: If we could not see the filling-in of the areas as indicated on the map to the left, we should and would not go into them.

HOLMES: I lived here in San Jose until '42 and some of my favorite cherry orchards are now houses and no longer orchards.

ANTONACCI: That's right, sir. We are going to have to place our 40 million people of tomorrow someplace and we had better put them into communities that are well planned and well designed and economically sound.

HOLMES: Thank you very much, Mr. Antonacci.

BRADLEY: Mr. Winton.

WINTON: Mr. Antonacci, Mr. Lanterman went into this a little bit but in your first presentation you said that no road block should be placed in the logical growth of a core city. I wonder if you could just tell me or explain what you mean by road blocks. What do you consider road blocks to logical growth?

ANTONACCI: I consider one road block, to an extent, is greenbelting. I know the situation in England. It is a permanent thing; it is a well designed and well established thing in England. It is under imperialistic law and under a form of government that is entirely different. I refer there to a method which here has no permanent stature whatever. I have before me a statement in the paper about a second golf course that is now applying for greenbelt, which obviously is a gimmick to avoid any increase in assessed valuation or taxes. Now the other thing is the incorporation of areas which might not be of a size or nature, insofar as economic potential is concerned, to provide themselves with a high standard of service. We know of areas which of themselves could not stand major drainage and sewerage improvements.

WINTON: Those are the two . . .

ANTONACCI: Those exist. For instance, suppose Burbank and Sunol would incorporate tomorrow. They have been getting a free ride for years to a good extent. I remember when the highest tax rate in the County, not omitting any portion of the City of San Jose or any district of Palo Alto, was in our Burbank area because they had a district for everything conceivable and did not have the taxable wealth. The highest tax rate, and Mr. Pittman, our County Assessor, can attest to this, in Santa Clara County was in an area which could not really lift itself by its own bootstraps.

WINTON: You consider those, then, the two major road blocks to the development of a core city?

ANTONACCI: Yes, sir.

WINTON: Do you believe that there should be some legislation which might limit the incorporation of new cities, that we do not now have? Some new type of legislation?

ANTONACCI: I have no fixed opinion on that except I think it should be scrutinized very carefully by the Legislature.

WINTON: Well, now, let me ask this - we ran into this in Los Angeles - do you believe that the furnishing of municipal type services by a county to areas is a road block to the growth of a core city?

ANTONACCI: Yes, sir.

WINTON: Well, don't you feel then that the same furnishing of these services by the City of San Jose is a road block to the growth of the City of San Jose?

ANTONACCI: Yes, of course it is. You are now questioning the individual who has been the most critical - whether I have been within my proper bounds or not - of the furnishing of sewerage to adjacent territory. I may not have had, as I indicated before, quite the altruistic or Christian-like attitude that some of my superiors have had, but for years I have questioned that and naturally, being an engineer, I felt it wasn't sound and that we should not do that. Naturally, as Mr. Lanterman very soundly indicated before, shared facilities should be on an entire metropolitan basis.

WINTON: You mentioned also, I think, that you are working with some 20 or 30 school districts in their planning and development.

ANTONACCI: Yes, sir.

WINTON: Does the City of San Jose have a city board of education, a city school district, that comprises all the area within the city limits?

ANTONACCI: No, sir. We have, as you well know, a law called the Allen Act which does not relate school districts to annexation. It is a very sound law, I feel, because school district boundaries, no matter what you say of some of the city boundaries - we have a large wall map the size of this upstairs which shows the school district boundaries - certainly nothing the city could do would be worse than the boundaries of those school districts.

WINTON: How many school districts operate within the City of San Jose?

ANTONACCI: We have all or portions of 20 school districts, and because of the Education Code we master plan with them; the County Planning Department master plans with us for them. But we feel that is a situation which should be straightened out entirely by the school people themselves. We could very easily disrupt their whole physical and economic pattern. As to the process of piecemeal annexation, even though within the pattern applied to school districts, we could very easily disrupt their whole physical and economic pattern.

WINTON: In other words, you feel that the annexation to a city should not in any way affect school district boundaries?

ANTONACCI: Not as they are constituted now, no sir.

BRADLEY: Mr. Britschgi, did you have another question?

BRITSCHGI: Mr. Antonacci, there is just one more thing I would like to have your opinion on as an expert planner. What is your feeling toward the San Jose State College and the acquisition of the three or four blocks south of the college to build these dormitories? Does that have any effect on the evaluation is what I am trying to find out now. Do you have to reach out and get more property because of losing this assessed valuation?

ANTONACCI: No, no.

BRITSCHGI: It has no effect?

ANTONACCI: No, it has no effect. I have a very strong opinion on that because it is affecting our zoning and housing structure insofar as the area is concerned.

BRITSCHGI: That's probably right.

ANTONACCI: And naturally, having worked on a committee which established at one time the optimum capacity for Stanford University before the village was taken over, I can appreciate the fact that San Jose should have had an entirely new campus of its own. They are expanding by a very expensive process, not only to the people of the State but to the people of the city insofar as taxable wealth is removed. We are in such a sound economic basis that we're not going to feel that accretion very much.

HOLMES: Mr. Antonacci, did assessed valuation have any bearing at all on any annexations? I'm not trying to put you on the spot.

ANTONACCI: No, you're not. We know we are planning fundamentally residential areas. We like good orderly growth; we have had for many years among the highest standards of subdivision and subdivision design in the State. We have been surrounded with fringe areas which in many respects have been substandard. That has its effect on the core city. We have many surrounding areas which have been substandard and which were being developed to far lower standards than ours. I am happy to say that now with the coordination which we have with adjacent cities, and with the County, our standards have been raised considerably. But for many years, and after all I go back 30 years in planning alone and 36 years in public works, we were always faced with areas which we would like to see develop to a high standard and we have been trying continually to pick ourselves up

in our standards. I am happy to say that Norman D. Ford who published the book on fifty outstanding American cities places us as one of the beautiful cities. I was very much surprised, but we know that the logical and firm street tree planning program which our chairman and our former Mayor helped us establish is now paying dividends. In answer to your question, we have more than merely the acquisition of taxable wealth; we know we will get more industry like IBM, and they are helpful. We can serve them, we can drain them, we can sewer them, we can protect them in regard to fire, police and health, but we know that a lot of residential areas will not carry their own if you throw the school burden into the picture. As far as we are concerned, of course, if they are well planned, have good space requirements, and a low incidence of police and fire hazards, they can carry themselves. Fundamentally though we are developing a core city here to a high standard and that means a lot to us even if we might have to subsidize some areas at the expense of maybe say the central part of the city.

HOLMES: In Santa Barbara at the present time we have three communities which are seriously thinking of incorporating. What do you think you could say is the biggest factor that could be given to those people down there as to the advantages of annexation over incorporation?

ANTONACCI: I do not know the area to which you refer but I will state this, there is no excuse for any area incorporating unless it is to give the people of that area the finest

amenities in living on as sound and economic a basis as possible. The character of the development of the area is more important than the dollar, even though some people may disagree with me. If the particular areas surrounding Santa Barbara can protect themselves and provide for themselves, I'll have no bone to pick with them. For instance, a city like Beverly Hills may be satisfied with twice the tax rate of a city neighbor if they desire to have a higher standard of let's say community life, but the fundamental reason for incorporation of cities in my book is the giving of the finest standards of living, the finest amenities, to the people in the area, within reach of their pocketbooks, of course. If the areas around Santa Barbara, as I stated before, can give themselves the character they want, and they can get it only by incorporating, then they should incorporate.

HOLMES: Now that would again relate to Mr. Lanterman's question which was brought up a while ago in talking to the Mayor of Woodside, that even then they would have no assurance that that same thing would be continued due to the changing political figures who come in and out of office.

ANTONACCI: That is why I began my statement with the wording that the well established cities are the core of metropolitan areas. We know that they have been established for many years, they have been sound, they are sound economically, and they are sound in their design and in their planning. It is hardly logical that any area that annexes to the core city would be developed to a lower standard.

BRADLEY: Thank you very much, Mr. Antonacci. We appreciate your taking the time to appear before the committee.

Is Mr. Sam Anderson, City Attorney for the City of Cupertino, present? Mr. Anderson, I understand that you wish to present a written memorandum to the committee and that you will submit such a memorandum within fifteen days.

SAM ANDERSON, City Attorney, Cupertino: Yes, Mr. Chairman.

BRADLEY: We will appreciate very much having the memorandum and we will ask that you forward it to the offices of the committee in the State Capitol Building in Sacramento, attention of Mrs. Cristine Harrison. (Not received. CH)

Is Mr. Coop, City Manager of the City of Fremont here? Would you care to come forward please? Will you state your full name and your position for the record.

F. ROBERT COOP, City Manager, City of Fremont: I am the City Manager of the City of Fremont, California. Mr. Chairman, in regard to the matter of reasons for incorporation of the City of Fremont, anything I say must be second hand. I did not come to the city until some five or six months after its incorporation, although I was its first city manager and therefore am intimately familiar with the details of organization and the problems that have been met since that time. However, I presume since I am the only representative, as far as I know, from Fremont that you may wish to have some information regarding the reasons for incorporation. This is a somewhat difficult position for me since I was not there and can't speak

BRADLEY: Well, the committee does accept hearsay testimony as long as it is based upon your reasonable personal opinion that it is fairly accurate.

COOP: Perhaps before discussing that I should briefly sketch the Fremont picture for you so that you will know what it is and where it is. It is in southern Alameda County. It is a city which was incorporated in January of 1956 and is therefore about two and a half years old at this time. It is a very large city in terms of area, containing about 98 square miles, which makes it the third largest city in California area-wise. I don't know about San Jose and its future plans to put us in the shade, of course, but at the moment Fremont is the third largest city. Its population is somewhere around 28,000, with an official population of 26,700. I should say that geographically in southern Alameda County the city's southern boundary is the Alameda County line; the westerly boundary is San Francisco Bay; the easterly boundary, in general, is Mission Peak, or to the top of the hills to the east of the plain; and the northern boundary, or rather arbitrary boundary, for those of you who know the area, is abutting the unincorporated areas of Decoto and Alvarado. The nearest incorporated city is the City of Hayward which is to the north.

As to reasons for incorporation, this, as I have said, is hearsay, although based somewhat on fact, having talked with those who were primarily interested in incorporation. One of the major concerns was the matter of planning and the lack of

confidence, or lack of agreement, with the county planning principles and practices. By all studies that have been made in southern Alameda County, it is due for tremendous growth and development, and the people in the community felt that it was being accomplished on a rather piecemeal hit or miss basis. A second contributing factor to the incorporation undoubtedly was the annexation policy of the City of Hayward. I do not know the historical relationship between Hayward and the south county, or the southern portion of the county, but I certainly know it was made very obvious to me upon arriving that there was a strong feeling that the people in the now Fremont area did not wish to be annexed to the City of Hayward. My personal observation is that it is not a comparable situation to San Jose and to the comments which Mike Antonacci made in regard to a core city expanding in a logical expansion situation. There seemed to be something of a feeling that the southern portion of Alameda County, as tipped by what is the Fremont area, was sort of the forgotten end of the county. All of the activity seemed to be in Oakland and Berkeley and perhaps as far south as San Leandro and Hayward, and the people in the south, while they were paying their share of the bill, seemed to be left out.

Going back to this matter of planning which I would say basically was typified by the zoning problem, southern Alameda County is essentially a rural area and there seemed to be a strong feeling from agriculturalists that hit or miss zoning, or piecemeal zoning, would create problems for the farmer in that it would gradually force up assessed valuations and force the farmer

out of business. I don't wish to comment on that particularly other than to say that the basic assessment practices as laid down in the State Constitution have created some problems for the farmer because even though the State Legislature attempted to indicate that land which had a reasonable expectancy of remaining agricultural should be so assessed, apparently that is not the practice which is followed by the assessors of any county, and land is assessed at the going rate. I'm not involved in that and don't wish to participate, but I think that was one of the major reasons. Then the final reason seemed to be a feeling of need for local control of development. I think this was typified very strongly in Fremont. It should be pointed out to you that this was a most unusual situation in that although there were no incorporated cities within the City of Fremont at the time it incorporated, of course, there were five readily identifiable and well established and long established communities. These were Centerville, Irvington, Niles, Warm Springs and Mission San Jose, which I am sure many people of the State think of as cities since they have postoffices and were old time communities. In fact, I guess much of the history of California dates back to Warm Springs, Mission San Jose, and that area in there, but they joined together to form this city, and to the best of my knowledge, it is the only time that this sort of thing has happened where the strong prejudices, if we could call them that, or competitive feelings of unincorporated communities, but highly organized communities, were overlooked. No one community was dragged along because the voting

record shows that each of these areas, although not required to vote separately, each did give a majority to the vote for incorporation.

BRADLEY: Do you recall what the margin of vote was favoring the incorporation?

COOP: I do not but it was substantial. I would guess, and I can get the record, that it was at least one and one-half to one. Perhaps even more than that. There was one identifiable community, the community of Newark, which is right in the center of the now City of Fremont, which did incorporate five or six months prior to the incorporation of Fremont. In my opinion this was a mistake because it created a situation of a city within a city similar to the situation between Beverly Hills and Los Angeles - but there the comparison ends insofar as Newark is concerned. Newark is a fully incorporated city and operates as such and our relations are good. I feel that we would both gain if we were one city. I think perhaps I have gone along far enough on something about which I can't give you first hand information. I would be happy to discuss the operation of the City of Fremont financially and organization-wise which I'm perhaps better qualified to speak on, and I will be glad to answer any questions.

BRADLEY: Let me ask you a few basic questions. What is your ad valorem tax rate?

COOP: The city tax rate is 73 cents and that is a reduction of three cents over the original city tax rate of 76 cents. Since the tax rate has not been set for the coming

fiscal year, although the budget has been adopted, there is discussion and it seems likely that there may be a slight further reduction in the tax rate for this coming fiscal year.

BRADLEY: The area which constitutes the City of Fremont is, as I am informed, both urban and rural in nature, and by that I mean you have considerable hilly area there which is used for grazing and dairying purposes, I believe, and then you have also some substantial industrial area, do you not?

COOP: Yes, that's correct.

BRADLEY: In an area as big as 98 square miles, can you just roughly give us a breakdown of how that would be divided up

COOP: You mean existing land use or potential land use? Existing land use, I would say, and this would be a rough figure, would probably be 75 percent rural or agricultural, and that would range all the way from a high density or high productive crop to grazing land, or to even less than that - probably 15 percent is residential - I don't want to get over 100 percent here - 5 percent commercial and 5 percent or less industrial. That bears little relationship to the potential of what is going to happen there. Those percentages will be changed tremendously in the next twenty years. If I could just bear on that subject for a moment - one of the first acts of the city council was to employ a firm to assist in developing a master plan and that master plan was adopted and forms the basis for all planning and all development in the City of Fremont. This happened before I arrived and I think it is to the everlasting credit of the first city council that they saw

clearly the need for just what Mr. Antonacci has mentioned, the need for this general plan and then adherence to it. The difference is that Fremont had the land in the city and it was not a matter of enticing people, through whatever means available, to annex. It was a matter of determining the land-use pattern based on sound planning principles and based on the economics of what is happening in Alameda County. I think it is pretty clear to those of you who travel the Bay Area that Fremont represents one of the last large scale developable areas and I would say very strongly that the wisdom of, I don't want to say controlling, but of organizing so that there could be proper development with proper standards and proper concern for utilities and schools, and all the rest of it, is being borne out at this time.

BRADLEY: Since the City of Fremont has been formed, has the city carried on any annexation of its own?

COOP: One. One ill fated annexation. I think the city council felt rather definitely that there was only one area in which the city should, or had any right, to be interested, and that was the area to the north, the area of Decoto and Alvarado, and I'm sure that the council both past and present feel that economically and traditionally, and even socially, that area leaned more toward the southern area, Fremont, than the north. Many people within the area felt the same way and an annexation was started - I mean an inhabited annexation of course because there are some 6 or 7 thousand people involved - and it was protested by over 50 percent of the property owners. This was

sparked by two or three large industries which did not wish to become a part of Fremont and therefore the issue was defeated before it came to a vote by the people. I would like to say that personally, as a city manager, looking at it strictly from that viewpoint, I felt and do feel that that area should either be a part of the City of Hayward or a part of the City of Fremont. I don't think there is any place in that area for unincorporated urban territory. There is a move now, and it may be successful, to form an independent city to be known as Union City. Well, I have no comment to make on that; that will take its course and time will tell what will happen there.

BRADLEY: I believe that the City of Fremont is rather unique also in that after the city was incorporated, a private concern came in and furnished employees who carried on all the principal departments. Would you explain that for the record?

COOP: Yes, I'll be glad to. The firm of Louis Kroeger and Associates was employed, as I understand it, within a matter of days or weeks after the incorporation. Again, I was not present so I don't know, but it was very soon after. It was sort of a maintenance operation and developmental operation. They placed a city clerk, charming Jane Hicks who was referred to before, as the first city clerk of the City of Fremont. Then the resources of Kroeger and Associates were used to get the show on the road. Considerable negotiation with the County of Alameda in terms of contracts for the operation of the city government, recommendations regarding initial organization, regarding ordinances

resolutions and things that the city council, which of course was composed of novices insofar as city government was concerned, were carried on. As I recall it, Miss Hicks was the only employee actually paid by the Kroeger firm although there were many people used in consulting capacities, in purchasing and planning and so on, in the development of contracts. Perhaps it is significant to point out that the city was incorporated in January and under State law, as you know, the county continued to provide services until the beginning of the fiscal year, July 1. Therefore, that was the period of organization and formation for what would come after July 1, either contracts with the county for services or independent operation. The only department of city government which actually came into being at the time of incorporation was the fire department. There were five fire districts within the City of Fremont, four of which automatically went out of business when the city was incorporated, and a fifth which had been established under another State act many years ago, required a vote; that vote came a few months later and they went out of business and became part of the Fremont Fire Department. So one of the city council's first jobs was to employ a fire chief and that was the first department of city government actually formed, not by desire of the city council particularly, but because the law provided it. Back to Kroeger and Associates, this arrangement continued until about two months perhaps after I arrived on the scene as city manager. This was the plan, that as soon as they could handle their own activities, or at least be responsible for

them, Kroeger and Associates would leave. I don't hesitate to say that I tried to steal the city clerk away from Kroeger and Associates but I wasn't successful!

BRADLEY: Do you know what the assessed valuation of the city was when it first incorporated?

COOP: I have to work backwards. The present assessed valuation was about 47 million, a very healthy assessed valuation for any new city, even though we were a large area. I would say that actually in January, of course no one actually knew, but I would say that it was probably in the vicinity of the high 30's or perhaps as much as 40 million.

BRADLEY: About how many miles of road were included within the city limits when you incorporated?

COOP: Excluding State highways, I think something over a hundred, maybe a hundred and ten or a hundred and fifteen, miles of roads, and then some 35 miles of State highway - many miles of State highway because the two routes on the east side of the Bay of course go right through the city and the city boundaries are some ten miles in length from south to north, generally speaking.

BRADLEY: When the city incorporated did the County of Alameda immediately, or have they since, stopped servicing these roads?

COOP: The city was incorporated in January and they continued until July. During that period a contract was negotiated between Alameda County and the City of Fremont for continuance of maintenance of these roads at the same level of maintenance

previously carried out by Alameda County. It was done on an actual - let's see, I think the first contract was so much per mile and the second year we recommended a change to more of an on-call type of maintenance since we had then established our own public works department and felt that we wished our own emphasis on the type of maintenance and where the maintenance would be. But everything stopped in terms of county services, free county services, on July 1, though practically all were continued under contract on that date.

BRADLEY: What other services does the City of Fremont contract for with the County of Alameda?

COOP: At the present time we contract for the basic services which most cities in the county do of tax assessing, tax collecting, and health, and I should say that under no circumstances would I ever recommend any change to local control on those services. We have an open contract with the county for public works services but on an on-call basis. Now actually a good share of our road maintenance is done by the county but it is done at the direction of our public works director and not on just a standard level of maintenance. It's up to him as our city engineer and public works director to determine what services he wishes. This is a most satisfactory arrangement, I would say, and perhaps because of local conditions the corporation yard, or one of the two corporation yards of the county, is located within Fremont. They have the manpower and the expensive equipment to maintain streets and roads in the city and I think it will be a

number of years before we take over that function. That is the only function left with the exception of a library which is now actually a district operation in Alameda County, with a special tax levied for their operation.

BRADLEY: Well, then you do operate your own police and fire departments?

COOP: Yes, we do.

BRADLEY: What did it cost the City of Fremont, for example, to establish the municipal fire department; just roughly about what was your cost?

COOP: Well, of course you understand now that the fire department actually automatically came into being in January.

BRADLEY: Did you automatically get the equipment and the fire houses. . .?

COOP: Yes, yes. All of the assets of the five fire districts became the property of the City of Fremont, and actually the reserves, I mean the financial reserves of those districts, were significant in the first few months of operation in paying the bills.

BRADLEY: What is your present budget for the operation of your fire department?

COOP: About 160 thousand dollars.

BRADLEY: And your police department?

COOP: About 210 thousand dollars. We have established our police department this year. This was the last function to be taken over; it was taken over July 1 and we have had about a month's operation. The budget this next year will be about \$210,000.00.

BRADLEY: Could you give us roughly the difference between the budget of the City of Fremont for its first full fiscal year and I guess it would be your present budget?

COOP: Yes, the first fiscal year it was about \$600,000. That would be 1956-57. The second year's budget was about \$800,000 and our proposed budget for 1958-59, which includes considerable road building, or rebuilding rather, is about \$1,250,000.00. You can see, of course, that this was not all accomplished with just the increase in assessed valuation. There are other sources of revenue which the city has. Would you like to have me discuss that?

BRADLEY: You have an ad valorem tax rate of approximately 73 cents or less.

COOP: Yes, that's right.

BRADLEY: What other sources for tax purposes do you have?

COOP: The two major sources are sales tax, although it's not significant in terms of some of the large commercial cities of the State or even some of the smaller ones, will be approximately \$210,000.00. And then of course State subventions account for the third large group of revenue. The city has a very satisfactory business license program which will bring some \$40,000 and building permit fees this next year, because of a very healthy building program, probably will bring in as much as \$50,000 or \$60,000 to the city. As you can tell from that one figure alone, this is a growing area and it's not stagnant nor is it standing still. I think those are the major sources of revenue. The in-lieu tax, of course, is I think around \$5 per capita, and the gas tax, although that's a restricted fund used for road construction,

will bring in, let's see, about \$80,000 - I think it's around 4 something per capita. Those are the two major sources of State subventions, and other significant sources, of course, are fines and forfeitures which in our case are I believe 79 percent to the city and the balance to the county. I think those are the significant sources of revenue but there are other minor ones.

BRADLEY: Now I think it's a fair statement to say for the record that certainly the City of Fremont would not have incorporated for any single purpose. It is very definitely a cross-section type of community. To your knowledge, do you know of any group or organization that is interested in any disincorporation movement for the city?

COOP: No. The Warm Springs area which is the most rural area of the city and the southern end of the city has had a meeting or two and talked about disincorporation. It's about as likely to happen as the fact that the sun won't come up tomorrow, in my opinion. I think it stemmed from some political unrest in the community which has no particular relationship to Warm Springs, actually, and I think there have been one or two meetings but not a significant disincorporation movement at all. I would put it in the same category with the situation that arises in most cities every once in a while when someone doesn't get what he wants so he writes a letter to the city and says if you don't straighten this out I'll sell out to minority races. So, you hear the same type of thing where the people use disincorporation as a club sometimes and it is just about as effective and just about as significant.

BRADLEY: Do you have any information, although it would be on a hearsay basis, of the principal arguments for incorporation and the principal arguments against incorporation at the time that the incorporation movement was going on, or the election was coming up?

COOP: Well, I think the things that I've mentioned - the problem of wanting to plan . . .

BRADLEY: Planning and zoning . . .

COOP: Planning and zoning certainly were one of the major factors.

BRADLEY: The City of Hayward's annexation . . .?

COOP: Yes, I think so. I don't think this should be aimed against Hayward particularly. They were in an expansion mood and there apparently is a long history of something less than real cordial relationships between Hayward and the south county, and I think that probably added to it.

BRADLEY: Would you say your statement in regard to the attitude of the County of Alameda government toward the area was a factor?

COOP: Yes, I think so, and that's not to take anything away from Alameda County government because I think the record should show that in all the relationships, at least the relationships that I know anything about or that I have had with Alameda County, the terms of the gradual transition from county to city were very good. I experienced no road blocks in attempting to switch, we'll say, from the Sheriff's office to a local police

department or in working out the arrangements for a local handling of all planning and zoning matters - no road blocks other than those that are normally experienced through a large organization. I overlooked one perhaps major reason for incorporation which certainly I should mention and that is a feeling by the people in the area that they were being overrun with special districts and that unless they did something there were more coming. That would reflect itself in more taxing bodies and increased taxes which were going to drive the farmer out more quickly than he was being driven out. I think that is a factor which I should have mentioned.

BRADLEY: Well, special districts is a topic of great interest to this committee and I am glad to have that additional information. Could you give us very briefly any particular argument against incorporation that you may have heard of at that time?

COOP: At that time - well, I think perhaps the strongest argument was again perhaps by some of the farming groups to the effect that government is bad and the less we have the better; this is one more level of government and we want to be left alone. I can't make a very convincing argument on this because I don't believe it. Other than that, I don't know - there certainly must have been but I wouldn't know.

BRADLEY: Any questions from any members of the committee? Mr. Lanterman.

LANTERMAN: I would like to ask one question. There was Alvarado and what other unincorporated area to the north?

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BRADLEY: Any questions from any members of the committee? Mr. Lanterman.

LANTERMAN: I would like to ask one question. There was Alvarado and what other unincorporated area to the north?

COOP: Alvarado was one and the other is Decoto.

LANTERMAN: You made the statement that you didn't believe they should remain unincorporated, why is that?

COOP: Those areas have a large minority population. Their assessed valuation is not very high and I think that unless there is strong leadership or direction given them that they are going down, not up, and this in spite of the fact that they have some excellent industrial property, or potential industrial property there. Whether it's in the city or not, it is going to be there physically and there is a higher incident of crime and fire and other problems, and because it does have an effect on my city, I would like to see it become either a part of our city where we would have some control or responsibility, or belong to another city where they could do the same thing. It's really a sort of no-man's land.

LANTERMAN: What is the population of the area and what's the square footage?

COOP: I would say about 7 to 8 thousand and probably 15 or less square miles. Some of this, of course, is in tidelands and mountains and the usable area is somewhat less.

LANTERMAN: And the assessed value of it?

COOP: A report was made on this and the figure escapes me - I'm sorry I just can't say. It is easily obtainable but off-hand I just can't say.

BRADLEY: Mr. Coop, it ought to be fairly high with the industrial plants that are already there.

COOP: Well, actually, there are only three, the sugar plant, Pacific States Steel, and the American Concrete and Pipe Plant. They are the three that I think of.

BRADLEY: All three are pretty good sized plants.

COOP: Yes, they are.

LANTERMAN: Is the minority situation directly related to employment in those plants?

COOP: Well, it's related. I don't think it is . . .

LANTERMAN: . . . directly responsible?

COOP: No, I don't think so because a good share, or at least a good healthy proportion, of the population is involved in the farming activities in the area.

LANTERMAN: In your experience with state subventions and the assignment of fines and forfeitures, etc., do you believe that perhaps if the County could apply some of those natural forms of income that you get by virtue of your being a city, or if the State should provide local control of those things by sheriff assignment, and so forth, that that could be met at least to clean up the situation that you're concerned with.

COOP: Well, I suppose it would help the situation but frankly I don't believe a county level of government was ever designed to operate an urban or a municipal operation, and I don't believe they have any place in it.

LANTERMAN: Where do you come from?

COOP: I come from Los Angeles County and lived most of my life in the City of Pasadena, with which you are well acquainted, Mr. Lanterman, I am sure.

LANTERMAN: Well, now, how long did you live in Pasadena?

COOP: Most of my life.

LANTERMAN: Then you have been there for the last quarter of a century.

COOP: Yes, that's right.

LANTERMAN: And you don't believe, then, that the County of Los Angeles as it is now set up to supply municipal type services by contract has any business doing that?

COOP: Well, I would prefer to make a statement rather than say yes or no. I think that Los Angeles County, or any county, can be of great assistance to a community in its initial stages of incorporation, just as Alameda County was a great aid to the City of Fremont, but you don't go from completely rural or completely unincorporated to a fullblown city such as San Jose overnight. Therefore, it is a matter of gradually going from one to the other as the people want it, but in the last analysis, while I'm not opposed to metropolitan government at all, I don't think county government as it is presently constituted is the proper level of government to provide metropolitan area services. Is that an answer to your question?

LANTERMAN: It's an answer. I don't agree with it but it is an answer.

COOP: I'm sure you don't, Mr. Lanterman, but it's my answer.

LANTERMAN: Thank you.

BRADLEY: Mr. Winton?

WINTON: Mr. Coop, the one thing that I'm interested in is this. Newark incorporated about six months before Fremont. Was the drive to incorporate Newark caused because of the plans to incorporate the City of Fremont, do you know?

COOP: Well, again hearsay, I think that was certainly one of the two reasons. I think there were two reasons. One, there was a traditional, I'm told, feeling that Newark was the other side of the tracks and that people in the area which is now Fremont sort of looked down on the Newark people. They certainly had no reason to do so, but there was that feeling, and so certainly there were some people in the area who said we don't want to be a part of Fremont. However, I think there were many people who saw this thing coming in Alameda County who said, well, the incorporation will never happen because the people in Centerville and Irvington will never get together and we had better look out for our own destiny and go right ahead and incorporate, because if we wait we are going to be part of a situation that is not going to win. So I think they were surprised too. I think those were the two reasons, Mr. Winton.

WINTON: Had actual plans and formulation of the idea of incorporating Fremont started before Newark started with their plans?

COOP: Yes, as I understand it. There had been talks over a number of years to put some of these communities together and then as time went on, perhaps in the early 50's or in the middle 50's, there was more talk about one community, so there

were definite plans for the incorporation of Fremont as it is now constituted before Newark actually became incorporated.

WINTON: Had any formal action been taken in the incorporation of Fremont before Newark was incorporated, or before the election for the incorporation of Newark?

COOP: I can't answer that, Mr. Winton, I don't know.

WINTON: Newark is entirely surrounded by Fremont?

COOP: Yes, it is.

WINTON: In other words, it can't expand.

COOP: Well, there is one parcel of about 3 or 4 hundred acres that is adjacent to Newark and was also adjacent to Fremont, and I suppose some time or other it will go one way or the other. That would be the only expansion Newark could make.

WINTON: This land is down on the tidelands toward . . .

COOP: No, it's to the south pretty generally. It's in only one or two ownerships and there was a strong representation made to exclude it at the time that Fremont was incorporated, so there it sits. There's nothing on it of any significance.

WINTON: Do you believe that there should be any safeguards, if you want to call them that, or something that would hold off the rapid incorporation of one city, such as Newark, pending an overall plan. Do you think that something along that line might assist the areas of planning such as yours?

COOP: I'm in a difficult position in answering that because I am a great believer in home rule and the determination of people to govern. On the other hand, I do feel that

there have been in years gone by some illogical expansions - annexations as well as incorporations - so I'm in a difficult position.

WINTON: Well, actually, isn't it going to be more difficult? Of course as you say, your relations with Newark are good now, but can't you visualize frictions arising between Newark and Fremont in the future planning of the growth of the area?

COOP: Yes, there's no question about it; in fact, I think that the frictions arose the day of incorporation and I think that through the intelligent actions of the council, and I might even include the staffs of both cities as well, those have been kept to a minimum. But it hasn't been easy and I think if there is friction, it's more between some of the oldtimers in Fremont and the oldtimers in Newark. Certainly at the governmental level real efforts, and successful efforts, are made to work together - but there are real problems. Who is going to get the industry; where are the water lines going, because we are in a water district; who is going to be on the sewer board and the sanitary district board, and things of that sort. It's a problem.

WINTON: I'm looking at planning problems, particularly with a city which is confined as Newark is, and with your city which is a rather large expanse. I can see Newark zoning right up to the City of Fremont's lines for say industry or commercial, whereas that might be in your plans residential.

COOP: That's a good point and I would say that there has been, I think, unusual understanding between the two planning

commissions, between the two councils, and between the two city managers, as far as that goes, in trying to avoid this sort of thing. Both cities employed very competent help to assist them, both on a consulting basis and on a staff basis, in planning, and the present general plans have been merged very nicely but that's not to say that the problem doesn't exist or couldn't exist in the future. If you were speaking specifically of this case, I would have to say that I think both cities would have been much better off if they were one. I don't know if they would call it Newmont or Freeark but still they should have been one!

WINTON: Thank you.

BRADLEY: For the record, Mr. Coop, what was this other community; I have Centerville, Warm Springs, Mission San Jose, Irvington, and what was the other?

COOP: Niles.

BRADLEY: Before we recess I would like to introduce Assemblyman Bruce Allen who has slipped into the meeting room. We will be glad to have you sit up here with the committee when we return from lunch, Bruce.

Are there any other questions of this witness? If not, Mr. Coop, we appreciate your taking the time to appear before the committee.

COOP: Thank you very much.

BRADLEY: Ladies and gentlemen, we are recessing now until two o'clock. I understand that the City of San Jose has a very nice new cafeteria directly under this auditorium and unless

you have some other place to go, I understand the city will be pleased to have your patronage. We will recess until two o'clock and at that time we will resume our hearing.

2:00 P.M.

BRADLEY: The meeting will come to order. Is there a representative from the City of Pacifica here? Admiral Inglis, will you come forward please, since there is no one here from Pacifica at the moment, and make your presentation for the City of Monte Sereno.

THOMAS B. INGLIS, Mayor, City of Monte Sereno: Mr. Chairman and honorable members of this committee, my name is Thomas B. Inglis. I am the Mayor of the City of Monte Sereno. In the interest of saving time, if it pleases you and the honorable committee, I would like to read from a prepared statement.

BRADLEY: That's perfectly all right. Would you have a copy then that you could file with the committee?

INGLIS: I have already filed 15 copies with your Research Director. I am grateful for the invitation and opportunity to appear before this committee to review the reasons why Monte Sereno was incorporated, the methods by which our incorporation was brought about and the problems which we face as a newly incorporated city. If it please the Committee, I shall start with a very brief description of Monte Sereno and follow with the other topics in the order given. For your convenience there is a summary at the end of this paper.

I: DESCRIPTION OF MONTE SERENO

The City of Monte Sereno was incorporated on May 14, 1957 as a general law city. It is located in Santa Clara County between the Town of Los Gatos and the City of Saratoga in the foothills of the Santa Cruz mountains. It has an area of about $1\frac{1}{2}$ square miles, a population of about 2,343 and an assessed valuation of \$2,350,000.

Monte Sereno is unique in several respects. It has no industry, no commercial enterprises, and no apartments, motels or duplexes. Except for some agriculture on a small scale, it is a residential city of single family dwellings. About 85 percent of the area is zoned for one-acre minimum building sites; substantially all the rest is zoned for 8000 square foot sites.

Monte Sereno is located in what we believe to be one of the most desirable residential areas in America. It has superlative natural beauty and a world-famous climate. We believe that Monte Sereno fills a need in Santa Clara County, and in the State, for our kind of a community and it is our objective to maintain its natural advantages and attributes unimpaired.

II: WHY MONTE SERENO INCORPORATED

In general terms Monte Sereno was incorporated to preserve its natural scenic beauty, its exclusively residential character and the quiet, rural pattern of living of its families. Incorporation was stimulated by the threat of piecemeal annexation into a neighboring city whose interests and objectives are not identical, or even similar, to our own. Annexation would have destroyed - or at least seriously impaired - many of the attractions which led most of us to take up residence in this area. It would have imposed upon us taxation for services which we neither wanted nor needed - services which could not practicably be furnished to us in any case because of the terrain.

The motivation for incorporation will be brought out in more specific detail in the following section of this presentation.

III: PROCEDURES AND PROBLEMS OF INCORPORATION

In the beginning an overwhelming majority of the residents of what is now Monte Sereno were opposed to either annexation or incorporation. We were well satisfied with county government and quite content with things as they were. Had we been left alone there would be no Monte Sereno today. But we were not left alone.

The wounds of the civil war which ensued are now nearly healed. I would prefer not to re-open them. So, unless the Committee insists on having the gory details, I shall mention our troubles only in general terms without naming names.

In 1953 a neighboring city attempted to persuade the Public Utilities Commission to double a proposed water rate increase in our then unincorporated area so that the rate within their city limits would not be increased at all. To protect ourselves we organized a watch-dog committee.

In 1954, and repeatedly thereafter, several cities in the County, including our neighbor, publicly announced an annexation-by-sewer-connection policy as a bludgeon to force people having trouble with septic systems to annex.

That same year an attempt to annex us through perfectly legitimate "inhabited" procedure failed through lack of even the required 25 percent minimum signatures on the proponents' petition.

Having thus failed by "inhabited" procedures, the neighboring city inaugurated a program of annexations by "uninhabited" procedures (without elections) in what we felt was an attempt to circumvent the wishes of us residents as expressed by our refusal to sign up for annexation. I shall have more to say about uninhabited annexations shortly.

About that time, 1955 and 1956, a group of residents in another unincorporated community proposed to incorporate, and eventually included within their suggested boundaries a large area which we felt was more appropriately a part of our community. These two threats - incorporation of a part of our area on one side and uninhabited annexations on the other side - caused us in early 1956 to expand the original watch-dog committee into the West County Improvement Association which was incorporated as a full-fledged non-profit neighborhood protective association.

Events moved rapidly thereafter. The Association attempted through moral suasion and proposed gentlemen's agreements with neighboring cities to protect our area from political encroachment. It soon became apparent that the Association would be ineffective in that respect. One of our neighbors was successful in the incorporation of a large segment of our area, and the other neighbor in an uninhabited annexation which penetrated into our community and formed an obvious springboard for further strip annexations which would have cut us to ribbons.

We considered organizing a borough government under the county but were advised by Assemblyman Allen that such would not protect us from uninhabited annexations. So we reluctantly decided that incorporation was the only sure means of preserving the integrity of our community and our wanted pattern of living.

Our battle for incorporation was marked by two law suits and by bitter feeling that only now is beginning to disappear. We felt that the basic issue was whether we residents were to be permitted to decide our own fate by democratic processes and the

secret ballot, or whether an alliance of absentee landowners with the officials of an ambitious city was to decide our fate for us without our vote or consent or even our advance knowledge, through the device of progressive uninhabited annexations.

We lost some skirmishes and our area was materially reduced in size, but we won the campaign and so we incorporated on May 14, 1957.

Returning to the subject of uninhabited annexations, the cities practice some pretty questionable methods. As an example, I can document one case in which a proposed annexation contained over 30 adult residents, 20 of whom were registered voters. Yet that area was annexed as uninhabited by persuading those favorable to annexation to de-register, leaving those opposed to annexation with less than the number to disqualify the area as uninhabited. This occurred just before the 1956 primary election and an important school bond election. Thus those who stood by their American right and duty to vote were penalized and those who sold their heritage for some fancied material gain were rewarded.

In other cases inhabited areas have been annexed as uninhabited because no one in opposition questioned and verified whether or not there were actually less than 12 resident voters.

Another evil of uninhabited annexations is gerrymandering. Perhaps one picture is worth ten thousand words, so I would like to offer for the committee's review as Exhibit A this map of northern Santa Clara County showing in color the boundaries, if they can be dignified by that adjective, of the various cities, and unlike Mr. Antonacci's map which is on my right and the committee's left, this is not five months old; this is about three weeks old. But I don't think it makes any more of a pretty picture than Mr. Antonacci's map which he says is five months old. You have seen that map, gentlemen, and I ask you, is there any rhyme, reason, sense or logic to this jurisdictional nightmare, because that is what it is in my opinion.

I think I have said enough to support my contention that "uninhabited" annexations are undemocratic and unAmerican. Exhibit A shows them to be ridiculous as well. I shall show presently that they are also politically and economically unsound. So my first recommendation to your honorable committee is that the uninhabited annexation laws be repealed.

As to the laws pertaining to inhabited annexations and to incorporations, except for gerrymandering, I believe the procedures prescribed are eminently fair and practical, with each interested party given his "day in court" and in the voting booth; with sufficient checks and balances to insure that the result is arrived at in good faith and with full knowledge of the issues involved and the responsibilities assumed.

Whether or not the uninhabited annexation laws are repealed, gerrymandering in all annexations and incorporations should be, in my opinion, prohibited or at least regulated - I realize that's a difficult problem but it could be approached - by: (1) prescribing natural boundaries, minimum acreage, minimum residents and minimum dimensions, and (2) giving the boundary commission advisory functions and the board of supervisors the same authority over annexations as they now have over incorporations.

IV: PROBLEMS OF A NEW CITY

Monte Sereno was incorporated with no illusions about the responsibilities to be assumed and the headaches to follow. We have had our headaches but they have been neither as severe nor as frequent as we anticipated. In other words, "we're doin' OK."

Our opponents maintained that a city could not exist without commerce, and preferably industry, to broaden its tax base. This contention has been repeated so often that it has been accepted as axiomatic. But it just isn't so. Last year, typically, the tax rate of the industrial city of San Jose was \$1.75 per \$100 of assessed valuation; of the commercial city of Los Gatos, \$1.15; of the residential cities of Los Altos Hills, 25 cents, and of Saratoga, 10 cents. Monte Sereno operated in the black on a zero tax rate for its first full fiscal year and has set 15 cents as its rate for the present fiscal year. For a fair comparison, 35 cents for the fire protection district should be added to the rates quoted for the residential cities.

Nor do the statistics prove, as often alleged, that industry reduces school taxes. The variations in school taxes in Santa Clara County are not great and do not fall into any particular pattern that can be associated with whether or not a school district includes a greater or lesser proportion of commerce and industry. School taxes are just high, period - and getting higher, period.

Our taxes in residential cities being lower, there has been grumbling from the other cities that somehow we must be getting a free ride at their expense. We've heard those words bandied about this morning several times. That, too, cannot be substantiated. We have a low city tax rate in Monte Sereno for three reasons:

(1) We do not pay for services we do not get, nor need, nor want, such as curbs, gutters, sidewalks, street lighting, and police protection for non-existent commercial establishments. We have no commercial establishments, therefore we don't need police to protect the plate glass windows and cash registers, and the juvenile delinquents assembling to see what mischief they can make.

(2) We operate on an austerity budget, economizing in every possible way. For example, we made only one long distance telephone call during the entire fiscal year 1957-58. It is surprising what you can do with a 2 cent post card (now three cents) if you suppress that impulse to pick up the phone and call Sacramento! Mr. Farrell can cite you an example of where I sent him a postal card and got back a two page letter! Also a great deal of our city's work is done by volunteers. For instance, our city treasurer serves without compensation, as do the councilmen, of course.

(3) Many of our services are performed by County contract so that the overhead is shared with other political entities. More of that presently.

As for the alleged "free ride", I want to make the point that we pay for all services received from other than our own volunteer citizens. We have contracts with the County for public health, tax assessing, police protection and law enforcement, building inspection, and for limited planning and engineering services. The fees are either prescribed by State law, such as tax assessing, or are set by the County after thorough cost analysis.

If wanted, these services are available on due notice to any city in the County, including those accusing us of the free ride. The City of San Jose can contract for them if they wish. If they want to get on this so-called gravy train, that is their privilege.

We pay a tax rate of - these are in addition to our city tax rate - about 35 cents to the fire district, 20 cents to the sanitation district, 17 cents to the flood control district, 10 cents to a recreation district - that 10 cents is absorbed in our school tax incidentally - and 8 cents to the County Library. Other cities also receive some or all of these services; in some cases they are included in their city tax bill, in some cases they are not, so direct detailed comparisons are rather complex mathematically.

Having no commercial establishments, Monte Sereno received only \$42.00 in sales tax revenue last year (from home hobbies). On the contrary, the sales taxes which our residents paid out all went to other cities, some of which are the very ones who complain about our free ride. Furthermore, these other cities derived additional revenue from the profits of their merchants which our trade made possible. Furthermore, we are taxed by the County to help pay to the complaining cities for county subsidies to their chambers of commerce, for their municipal courts, and for expanding their branch libraries - from all of which we get little or no benefit. If we receive anything remotely resembling a free ride, it is more than offset by these pay-outs.

And finally, to clinch the case about the free ride, I ask the committee to consider the cost of the county welfare and hospital program, all of which is a part of the charities and corrections budget. This program takes over 45 percent of the total county general tax, and I am not including in that State and Federal contributions. That is just the County general tax alone - 45 percent or approximately 80 cents per \$100 valuation goes to that program. But I am sure the residential cities have no more than a handful of "indigents" receiving welfare remittances or county hospital care. Of course I don't know for sure because the rolls are confidential, but so far as I know Monte Sereno has not one single case.

Yet we pay the same county tax rate as the industrial cities where most of these indigents live - the very cities which complain the loudest about our alleged free ride.

In spite of all this, we are not necessarily asking that you or the State Legislature change the present method of distribution of the county tax load. A change would probably create as many problems as it would solve. But if there is to be a change, in all fairness we ask that you bear in mind these factors that I have brought out; we also ask that you, and this is very important, then redistribute the sales tax on the same basis - population - as in the distribution of motor vehicle in lieu and gas tax revenues.

In sum, we pay for the services we need and want and get; we carry our full share of the cost of federal, state and local government; we live up to all our civic responsibilities and obligations. We are not complaining. Again, we are content with things as they are; "we're doin' OK." We just want to be left alone. But again, we suspect that we are not being left alone. Why?

There is a pattern. The League of California Cities is "investigating" county contracts. The Inter-City Council of Santa Clara County is "investigating" county contracts. The City of San Jose is "investigating" county contracts. The San Jose Mercury, the local newspaper, is making disparaging remarks editorially and in its news headlines about the small cities - much along the line that you heard from Mr. Antonacci this morning - and advocates metropolitan integration, which it does not define. City officials of Sunnyvale complain publicly and in the press that the smaller cities are getting a free ride through their county contracts. We wonder why, and we wonder what is to come of all the fuss. Like the young maiden, we wonder whether we are going to be offered a proposal or a proposition!

I refer again to Exhibit A - the jurisdictional nightmare - and its relation to metropolitan integration. A glance at Exhibit A shows that in these uninhabited annexations the expansionist cities have created for themselves grave problems -

in fact, it's a whole series of problems - problems of jurisdiction, particularly fire and police protection; problems of raising revenue to provide services to all the little, remote, tenuously-connected bits and pieces that have been so eagerly and indiscriminately annexed. And I would like to depart from the text for a moment to point out that this map over here that Mr. Antonacci kept attracting the attention of the committee to, rather than the other map there, doesn't tell the whole story because that map is only a wish or a hope on the part of San Jose. This is what is actually happening, and how San Jose can hope to integrate all of these little fingers and tentacles into a nice solid red piece, or a nice solid green piece, or a nice solid yellow piece, such as is shown up there when these other cities have already got their fingers and tentacles through there is beyond my comprehension. Furthermore, as these unincorporated white areas are being inhabited, they are disqualifying themselves very rapidly from any further uninhabited annexations and surely the people who live there are going to have some reservations about going into San Jose with a \$1.75 tax rate and some of the other, what I can conceive to be, disadvantages.

So, I am afraid Mr. Antonacci's plan, while it is a beautiful thing on paper, is apt not to be realized. I can understand why these cities would be concerned about jurisdictional problems, about the economic and political problems that are brought about through these uninhabited annexations and probably the concern of those cities explains all the talk and fuss about metropolitan integration. But the residential cities such as Monte Sereno are also concerned and we are fearful that through some legalistic legerdemain we will be forced into paying for their mistakes. We feel that the cities that created the problems, not we, should foot the bill.

So much for the problem; what can be done about it? As I see it metropolitan integration can be defined into one of three different forms:

(a) Political and economic domination of an area (say Santa Clara County) by one or a few large cities. That is what we fear most and that is what we oppose.

(b) Some hybrid gimmick like Dade County, Florida, which we suspect would be a sort of super government imposed upon existing governments and increasing taxes and red tape because of additional (and unnecessary) overhead. We suspect that the larger cities would eventually dominate this arrangement also, and therefore, we take a dim view of this second solution.

(c) An extension of the county contract system. We feel that this is by far the best solution. In principle it is simple, straight-forward, efficient and economical, though I admit it will be difficult for proud city fathers and certain vested interests

to accept. But they would retain the right to choose to make the contracts or to continue with their "sovereignty" and their problems. That right of choice would still remain with the city under the county contract system.

County contracts are nothing new and untested. All cities, that is, all the cities in Santa Clara County, have them, either in tax assessing or public health or both. Other cities use additional county contract services in varying degree. County contract services obviously promote efficiency, economy and uniformity. They are available, after due notice, to any city, large or small, over any desired period of time and at any desired level of service. The city does not abdicate control since it may cancel any contract after due notice. Other advantages have been pointed out in the report of last November's Conference in Long Beach where members of this committee were present.

I should like to see the county contract system extended into the fields of fire protection and sanitary sewers. Still other areas of usefulness may well be suggested from time to time .

The county contract system could be especially helpful in the problems created by these crazy-quilt annexations, since the same county agency would cover all areas whether in one contracting city or another, or whether in the unincorporated area. I should think the cities having these problems would be the strongest supporters of county contracts instead of their bitterest opponents. In any case, Monte Sereno favors this type of metropolitan integration because it leaves to each city the determination of which services are wanted, and charges equitably for services rendered, no more, no less. That, of course, is in addition to many other advantages.

So, my most important recommendation to this committee is that no legislation be adopted that would force the unincorporated areas or the small cities, the residential cities, the quiet cities that are minding their own business and paying their own way, into any "metropolitan integration" dominated politically and economically by the larger, expansionist cities. Conversely we favor legislation that would encourage the county contract system and eventually extend its availability to additional fields. We see no need for any other form of metropolitan integration, nor actually for community services districts. The county is a going concern, tested through the years. It is ready, willing and able to do the job. Why not use it?

I have one final recommendation on a different subject. Last year the Legislature adopted an amendment to Section 11101 of the Election Code pertaining to the recall of councilmen. The amendment requires a petition signed by 25 percent of the voters, and provides for other election reforms which I applaud. My recommendation is that the laws pertaining to disincorporation of cities be amended along the same lines. Thus, it would be my idea:

(1) To amend Section 34701 of the Government Code to require an initiating petition signed by 25 percent of the voters instead of 20 percent, and to leave to the discretion of the council whether to call a special election or to include the question at the next municipal general election.

(2) To add a new section, similar to Sections 1717 and 11104 to 11107 inclusive and 11115 of the Election Code providing that arguments for and against be presented to the electorate at the expense of the proponents of disincorporation, which is now done in the case of the recall of councilmen. I think the same rule should well apply to a proposal for disincorporation.

And I might say again, departing from my prepared text, that when a city is incorporated, the proponents, the committee for incorporation, is put to considerable expense. They have to pay for the engineering work, for the attorney, for the legal notices which sometimes run into five, six, eight, ten or twelve columns of boundary descriptions, that is all out of pocket expense on the part of the proponents, to say nothing of the expense in mental energy, mental anguish, and sometimes even physical anguish to get a city incorporated. I don't think a move to disincorporate a city should be lightly undertaken, and I don't think that it should be permitted by an irresponsible group or a small group that is not required to show its good faith by putting up a little money and a little effort.

I have no reason to believe that there is any substantial sentiment in favor of disincorporating Monte Sereno, and I certainly do not object to bringing an issue of that nature to ballot. However, I believe a disincorporation proposal should require the petition of a sizable and responsible group with opportunity for each side to state its case and to be accomplished at minimum expense to the city.

SUMMARY

Monte Sereno was incorporated under threat of unwanted annexation to preserve its natural scenic beauty, its exclusively residential character and the quiet rural pattern of living of its families.

As a result of Monte Sereno's experience in the events which brought about incorporation, and the jurisdictional hodgepodge which has been brought to Santa Clara County (Exhibit A), we recommend that the laws pertaining to "uninhabited" annexations be repealed and annexations be authorized only by secret ballot.

For the same reasons, we recommend that gerrymandering be defined and prohibited in all annexations and incorporations; that the function of the boundary commission be enlarged and

strengthened, at least in an advisory capacity, and that the Board of Supervisors be given the same jurisdiction over annexations that they now have over incorporations.

Monte Sereno has no immediate pressing problems requiring new legislation. We are content with things as they are, but we do have misgivings about the future course of metropolitan integration. We recommend that no legislation be adopted that would force the unincorporated areas and the smaller cities under the political domination of the larger cities.

To promote efficiency, economy and uniformity, we recommend that services by county contract be encouraged and extended. We feel that this is the most practical and equitable solution to the problems of so-called metropolitan integration.

To insure fairness, responsibility, and economy, we recommend that a valid petition for disincorporation require the signatures of 25 percent of the electorate (as for incorporation or recall), that statements for and against be presented to the electorate at the proponents' expense, and that the city council be given discretion to bring the question to ballot in either a special election or at the next general municipal election.

Gentlemen, I thank you.

BRADLEY: Thank you very much, Mayor Inglis. Are there any questions from any members of the committee? We appreciate very much your taking your time to appear before the committee. You have made a very complete statement and by virtue of the fact that you have filed your remarks in writing, we will incorporate those into the records of the committee.

I have just one question I want to ask you. I don't recall whether you brought it out. About what was the population of Monte Sereno when you incorporated?

INGLIS: 2,343.

BRADLEY: And about how many square miles?

INGLIS: One and a half square miles.

BRADLEY: Thank you very much.

INGLIS: Thank you very much, Mr. Chairman, and thank you gentlemen.

BRADLEY: Is Mayor Brazil here? Mayor, will you state your full name for the record and your position in connection with the City of Saratoga?

BURTON R. BRAZIL, Mayor, City of Saratoga: My name is Burton R. Brazil and I am the Mayor of the City of Saratoga. I have also filed a written statement of the position of the City of Saratoga and if it would please the committee, I will read same. I would be happy to answer any questions I can when I'm through.

I have been authorized informally by my City Council to accept your invitation to appear at this hearing in order to bring before the Committee information which may be of value in your study of the incorporation of cities. It is my understanding that the subjects of the Committee's inquiry are the motivation behind the incorporation of new cities, the methods by which incorporation is effected and the problems, if any, which may be present in such activities.

Following the excellent example of my colleague, Admiral Inglis, I will begin with a general description of Saratoga so you will know what kind of city I am talking about.

I The City of Saratoga

On October 22, 1956, the century old community of Saratoga was incorporated under the general law as the fifteenth city in Santa Clara County. The city occupies about 12 square miles of level and foothill lands on the western edge of the Santa Clara Valley. The population is estimated at 15,000, and the assessed valuation for 1958 - a figure I obtained just this morning - is \$22,474,910.00.

Saratoga is predominantly a residential area in which country style living is the dominant pattern. About half the area is presently in agricultural uses. Commercial facilities are adequate for the present routine needs of our citizens, and are located in three separate shopping districts, each of which is near a corner of the city. There is a very small number of craft industries on a small scale, which were present prior to incorporation. The same may be said of multiple family dwellings.

The bulk of Saratoga's land is zoned for single family dwellings and agriculture. About one-third is in one-acre building sites; about one-quarter in half-acre sites, and the remainder in quarter-acre sites. We have a quarter-acre minimum. Commercial and multiple dwelling zones occupy less than one quarter of the land area.

Saratoga operates a minimum service government on a property tax rate of ten cents per \$100 of assessed value. Simple wants, conservative programming, and efficient administration make this economy possible. Contract arrangements for county services help reduce unnecessary overhead expenses without loss of local policy control.

II The Motives for Incorporation of Small Cities

The City of Saratoga appreciates the opportunity afforded by this hearing to point out some dangerous fallacies about cities which are widely believed, even by people who ought to know better.

First is the fallacy that a city is by definition a place modelled on New York or Chicago. The word "city" brings to the average mind the image of large numbers of people jammed tightly together in a relatively small area. It evokes mental pictures of asphalt, concrete, bright lights, noise, congestion, traffic jams, stores, factories, tall buildings, people in a hurry, faceless and nameless masses of humanity scurrying like ants in and out of concrete canyons. It evokes pictures of cliff dweller apartments and houses jammed together on lots so small your neighbor scratches when you itch. This is a true image, but it is not a true definition. Such places, although they obviously exist, have neither a legal nor practical monopoly on the name of "city". A city is a legally recognized municipal corporation called into existence by those who live in it in order to enable them to arrange their lives in their own way. They can choose any pattern they want, from gross congestion to wide open spaces. Cities need not be smaller versions of New York. There is plenty of room here for variety, for freedom of choice, and there is a real need for both.

Second, there seems to be a belief that all cities really ought to be and want to be bigger and more like New York. This is a modern kind of booster spirit; bigger automatically means better - all us rabbits ought to be elephants! Stated clearly, the fallacy of the idea is obvious; bigger may be worse, not better. Equally false is the idea that all cities feel this way. Many small cities want to stay small, and for excellent reasons. They like their way of life and they do not want to change it for one they definitely do not like.

If the committee please, I would like to draw attention to some facts of life in this country today. Census data have

made it common knowledge that the American people have been engaged in a great migration for over half a century. It is still going strong. People are moving out of the center of established large cities into the suburbs, and people are moving out of the farming areas into the suburbs. This is why suburban areas are growing at a rate many times that of the older cities. Many a rural county and many a large city are unhappy about this, and their pride is hurt. Few inquirers have asked why people are doing this. Those who have asked have not found an audience willing to listen to the explanation. Research in this field demonstrates that the major reason for the migration out of the center of the large cities is the dissatisfaction of the people with the conditions under which they live. Suburban areas offer them space, fresh air, light, quiet, cleanliness, a slower pace, and sometimes lower taxes. Once more, the citizen can know his neighbor in a community in which he is not merely an anonymous grain of sand. He can live like a man not like an ant. This is why the suburbs grow.

The major problem faced by suburban cities, at least in California, is not, as many would have us believe, money. The citizen of suburbia believes that he can combine some of the values of urban life with some of the values of rural life and produce a mode of life better than either. He is right; it can be done, and it has been done. It is not easy nor is it free. Valuable things never are. But the big problem the suburban community has to face is not the unreasonable demands of its citizens. It is the imperialism of the big city. Imperialism is the attempt by a political unit to extend its control over people of a different sort beyond its boundaries. Big cities habitually respond to the growth of smaller communities by trying to swallow them. If successful, the suburb is destroyed by excessive urbanization, its sense of community disappears, the big city gets bigger and its pride is restored and its problems multiplied. The expansionism of so-called metropolitan cities destroys the values of suburbia almost as fast as they are achieved, and creates governmental problems which cannot be solved by any single jurisdiction. This is precisely what has been happening in Santa Clara County. A look at the map tells the story best. I refer your attention, gentlemen, to the map the Admiral has kindly provided.

III The Incorporation of Saratoga

Bluntly, Saratoga became a city in self-defense. The alternative was submergence to the status of a frontier province in the empire being built by the City of San Jose. Saratoga is a community with distinctive traditions and a way of life of its own. These are not the same as the patterns of San Jose. The cost of conquest for us would plainly have been the loss of our self-determination, the loss of our sense of community, and the irrevocable loss of our way of life. Saratoga has demonstrated conclusively its attachment to these values in the act of incorporation and in our recent city council elections.

Concretely, the most important single function performed by cities is the control of land use. Everything else is determined largely by that control. The level and kind of public services and the cost of city government are dependent on the way land is used. Saratoga has definite and strong views on the way in which our land should be used and the kind of community we want to live in. These views are not shared by the ruling authorities of San Jose. The only way Saratoga could preserve its values, given this difference of views and the openly aggressive expansionism of San Jose, was to become a city at law as we were in fact. We did and we do not intend to be deprived of our independence.

The policies of the City of Saratoga - adopted to carry out the wishes of its citizens expressed at incorporation - are included in brief form herewith as Exhibit C.

IV Problems of Incorporation: Rights and Procedures

The only questions logically open to debate on the incorporation of small cities seem to me to fall into three groups:

1. Do small, suburban cities have a right to exist?
2. What effects do present state laws have on such incorporations?
3. Should there be any changes in state law on the incorporation of small cities?

The answer to the first question is unequivocally YES. Small suburban cities perform a valuable service which they alone can provide. No amount of biased propaganda for that form of imperialism called "metropolitan integration" can obscure that fact. Efficient or inefficient, cheap or expensive, small cities exist for good and sufficient reasons.

The answer to the second question is, at least from our point of view, that there are no basic deficiencies in existing state laws governing incorporations. The Government Code provides equitable opportunities to bring the issue to a vote, and enables a responsible body - the County Board of Supervisors - to determine whether areas should or should not be included in the proposal so as to give the issue a fair trial at the polls. The Board, I assume, also can determine whether the area is a feasible unit and adapt its decisions accordingly. The only criticism which might be offered from our experience is that the protection afforded an area proposed to be incorporated against hasty uninhabited annexations into the proposed city by its neighboring cities is less than desirable. The timing of the incorporation process, which is a pretty tight timing, and the looseness of the protection afforded those who are trying to effect this process, create a touchy and delicate tactical situation.

On question three my answer would be no - at least for the present. The only real reason for any change in the law would have to be to make the process more difficult and restricted. This I cannot support under any conditions now known. There is no justification for any such change.

Summary

Saratoga, like many other small cities, exists in order to preserve its own way of life, which it cannot do as a minor province of a large metropolis. Such suburban cities have a valuable place in American life, as is demonstrated by their obvious attractiveness to millions of people who live in them voluntarily. The aggressive expansionism and undesirable policies of big cities are a major force promoting the incorporation of suburban areas.

Present state laws on incorporations are generally adequate, and no real need is apparent for substantial change.

Thank you, gentlemen, for your attention and for this opportunity to defend the position of small cities. I have called a spade a spade in the interests of truth, but I wish it known that no personal rancor is involved. I hope that these hearings will help clarify some thinking on a vital situation in the progress of California, and that more light can be shed on the problems of so-called metropolitan areas by hearing more than one side of the story.

Thank you very much for your attention, gentlemen.

City of Saratoga - General Fund Revenues - Budget 1958-59

		<u>Budget 1957-58</u>	<u>Revenues 1957-58</u>	<u>Budget '58-59</u>
Sales and Use Tax	\$	18,000.00	25,935.00	23,000.00
P.G. & E.		3,750.00	6,261.00	6,200.00
San Jose Water Works		1,000.00	1,084.57	1,800.00
Los Gatos Scavenger Co.		2,000.00	3,650.00	3,600.00
Business License				
Building Permits		5,000.00	5,850.00	4,800.00
Planning Fees - Land Use		1,200.00	1,900.00	1,800.00
State Alcoholic Bev. License		1,000.00	1,703.07	1,600.00
State Motor Vehicle In Lieu		78,162.00	81,250.00	77,330.00
Interest Income			1,470.00	1,800.00
Miscellaneous			300.00	200.00
Real Property		<u>15,000.00</u>	<u>18,021.49</u>	<u>19,678.00</u>
TOTALS	\$	<u>125,112.00</u>	<u>147,425.13</u>	<u>141,808.00</u>

CITY OF SARATOGA

General Fund Expenditures
Budget 1958-59

	Budget 1957-8	Expenditures 1957-58	Budget 1958-59
<u>General Government</u>			
City Council	\$ (-	-	1,795.00
City Clerk	(29,045.00	21,421.00	27,310.00
City Treasurer	1,150.00	1,110.00	1,125.00
City Attorney	8,600.00	11,100.00	15,600.00
Planning Commission	4,500.00	2,625.00	20,055.00
City Engineer	7,000.00	1,558.00	6,000.00
Elections	1,500.00	1,500.00	100.00
Civic Center Site	-	16,901.00	13,246.00
City Office Building	3,860.00	520.00	4,780.00
<u>Public Safety</u>			
Police	20,815.00	19,822.00	25,350.00
Building Inspection	100.00	-	100.00
<u>Public Health</u>			
Services	1,200.00	-	500.00
<u>Public Welfare</u>			
Recreation	1,000.00	125.00	500.00
<u>Public Works</u>			
Personal Services	-	-	2,500.00
Storm Drains	13,000.00	6,000.00	13,500.00
Maintenance of Streets	-	-	24,763.00
<u>Public Library</u>			
Maintenance & Improvements	1,500.00	-	1,395.00
Contingency Reserve	20,000.00	-	20,000.00
Land Purchase Reserve	-	-	17,500.00
TOTALS	\$ <u>113,270.00</u>	<u>82,682.00</u>	<u>196,119.00</u>

BRADLEY: Thank you, Mayor. I would like to ask just a question or two. In a city the size of Saratoga, of about 12 square miles, do you have any general information as to number of miles of streets?

MAYOR BRAZIL: Yes, sir, I do. At the time of our incorporation we had 42 miles of public roads and about 8 miles of State highways in addition thereto. State routes 114 and 42, giving their legislative numbers.

BRADLEY: Since the incorporation of Saratoga, has the County of Santa Clara ceased to maintain and repair the streets that are now within the city limits of Saratoga?

BRAZIL: Yes and no, sir. During the period from the 22nd of October, 1956, to the first of July, 1957, that is the first year of our existence as a city, the county continued to provide its usual services at the same level as had existed previous to incorporation for the remainder of that year to the beginning of the next fiscal year under the provisions of the State law which requires them to do this. On July 1, 1957 the City of Saratoga undertook to provide its own services. At that point we maintained our own roads and we have done so since.

BRADLEY: Has the City of Saratoga undertaken any annexations itself?

BRAZIL: One. During the process of drawing our incorporation map, the City of Cupertino had filed notice of intention to annex some property on the west side of State Route 9 down into the area included within our proposals. This was

designed, as I understand it, in order to prevent the City of San Jose from extending to the westward in a fashion which Mr. Antonacci had difficulty in explaining this morning. Somewhere along the line San Jose stopped moving, the City of Cupertino stopped moving, and we incorporated, so this general area was left out. It formed a finger sticking into our normal boundaries and we proceeded later on to incorporate it into our boundaries, rounding them off. It's our only annexation.

BRADLEY: The City of Saratoga, I see you have fairly well brought out, relies mainly on the ad valorem tax, but you do have commercial activities so I presume you do obtain a sales tax.

BRAZIL: Yes, sir, we do. We have about 90 odd enterprises in the city which pay sales taxes to the State, and if you like I can give you the figures on approximately how much revenue we got.

BRADLEY: I see you have that as a part of your exhibit.

BRAZIL: Yes, we have included it in our budget summary.

BRADLEY: The summary breakdown of your budget and sources of income.

BRAZIL: Right.

BRADLEY: I happen to know that the proposal for the incorporation of Saratoga was a proposal which met with some opposition. Roughly and very concisely, could you just give this committee a thumbnail sketch of the opposition and the reasons for the opposition?

BRAZIL: I think probably the situation can be made most

clear by this kind of an explanation. Both those who wished to incorporate Saratoga and those who did not wish to do so appear to have had the same general objectives in mind. They knew what kind of community they wanted and they agreed on that. The disagreement arose over a question of method, or how the objective was to be obtained. The pro-incorporation group insisted, and I think quite correctly, that the objective could be obtained only if there were a legal corporation present which controlled land use, permitted the use of that land by someone else. The anti-incorporation group seemed to feel that the county would provide adequate protection in this regard and that there was no need to incorporate in order to obtain the objective. Their principal grounds for opposition were on that basis. As in most cases, there was also some talk about the impossibility of getting along on tax rates under some fantastic figures that were cited, one of them running as high as \$1,93, or some figure like that, and some feeling that perhaps in the future, as Mr. Lanterman brought out this morning, the thing might turn into a Frankenstein. This is a normal sort of argument in this regard.

BRADLEY: As I understand it, you have an ad valorem tax rate today of ten cents?

BRAZIL: Ten cents per \$100, that's correct.

BRADLEY: And does the City of Saratoga have a fire district?

BRAZIL: We have two of them.

BRADLEY: Two fire districts. About what is your rate for your fire districts?

BRAZIL: In the Saratoga Fire District, the tax rate, if I recall correctly now, is about 25 cents plus or minus a penny. In the County Central Fire District which services approximately 40 percent of our area, the tax rate is about 28 cents, if I remember rightly.

BRADLEY: And you are in a sanitation district, are you not?

BRAZIL: We are in a way in two of them. The bulk of our area, a little less than half, is included within the jurisdiction of County Sanitation District No. 4. A very small portion along the northern boundary is within the confines of the Cupertino Sanitary District. The rest of the area is not in any sanitation district at all.

BRADLEY: As to Sanitation District No. 4, about what is the rate?

BRAZIL: The tax rate there, sir, is 17 cents.

BRADLEY: Are you in any flood control district or recreation district?

BRAZIL: We are not in any recreation district and we are a part of what is called the northwest zone of the County flood control district which I understand covers the whole northerly half of the County.

BRADLEY: And do you have a tax rate that you pay on that?

BRAZIL: Yes, there is a tax rate for the northwest zone but I do not at the moment recall what it is, but it is a matter of public record.

BRADLEY: Roughly, do you know about what the margin of votes was favoring incorporation?

BRAZIL: About sixty.

BRADLEY: Very close.

BRAZIL: Very close.

BRADLEY: And do you know of any movement by any groups for disincorporation?

BRAZIL: None whatever. I have heard not even a rumble in this regard.

BRADLEY: Are there any questions from any members of the committee? Mr. Lanterman?

LANTERMAN: Mayor, the question that I was going to ask relates to the cost to the community to get organized to incorporate. Was that supplied by any particular group or firm or individual for a fee?

BRAZIL: Now, let me make sure I understand the question, sir. You are referring to the cost of conducting the campaign to incorporate, or do you mean the cost of beginning business afterward?

LANTERMAN: No, before - to get all the details, to learn the method to incorporate, and so forth.

BRAZIL: In our case the expenditures involved in the program to incorporate the city are a little difficult to evaluate. The actual incorporation was accomplished as a result of the third try. The first one was made, as I recall, back about 1953; I was not in the area at that time. It was earlier than that - about 1951. The second one was tried around 1954 and the third one in

1956; it worked. The cost therefore that I know about is the cost of the successful one. That ran to a total figure of about \$1,200, as I recall, and did not include fees for professional services of any kind. It happened that we had a gentleman who lived within the city and who had offices within the city who was a city attorney and knew the field pretty well, so the technical advice from that direction was offered out of civic pride rather than remuneration.

LANTERMAN: Is that your present city attorney?

BRAZIL: He is our city attorney now. He is also the city attorney for Alviso and was at that time.

LANTERMAN: You had no business firm supply any of this. .

BRAZIL: No, sir, this was done entirely by organized citizen campaigns. There were no professional . . .

LANTERMAN: Real grass roots, even if it was by only a 60 vote margin.

BRAZIL: That's right, sir.

LANTERMAN: Now, are the people who were opposed reconciled?

BRAZIL: The best way I can answer that, sir, is to cite the recent municipal elections, in April of this year, in which all but one of the incumbent city council ran; that is, there were three up, two of the three ran, the third one was an elderly gentleman who decided he was tired and had done his civic duty so he retired. The campaign was conducted fairly and squarely on the issue of whether the policies adopted and advocated

for incorporation were good, bad or indifferent, and the result of that election was that all of those who were on the pro side of incorporation and who favored our policies were overwhelmingly elected by margins of nearly four to one.

LANTERMAN: What turn-out of your . . .?

BRAZIL: We had about 65 percent of the vote turn out.

LANTERMAN: I would say that was a pretty good representation of the feeling of the community.

BRAZIL: We thought it was. This was the best way I could answer that query.

LANTERMAN: I've been fairly familiar with the background on it since I first came into the Legislature because your experiences are just about contemporary with my experience in the Legislature and I am very interested because I have tried various and sundry means to find alternative procedures to allow communities such as yours to exist informally without being decimated by this octopus-like annexation procedure here, and apparently there is more strength in the - what was it called - the metropolitan core city.

BRAZIL: That's what Mr. Antonacci likes to call it.

LANTERMAN: Well, that's a good name for it. In their demand that there shall be no interference whatever with the expansion, the normal and logical and proper growth of core cities, the question, then, it would appear to me, is do you still feel that the small unit is fully justified in its excuse for its own local home rule and its existence, regardless of

economic factors of the area at large and whether it is a metropolitan core city or a metropolitan area, or whatever?

BRAZIL: Emphatically, yes. As I tried to indicate in somewhat shorter compass in my formal presentation, cities exist for reasons, not just in order to exist. I emphatically disagree with Mr. Antonacci whose general point of view is that cities exist in order to provide high levels of what he calls services or amenities. This is a reason.

LANTERMAN: What is an amenity?

BRAZIL: I haven't the slightest idea. Presumably a flush toilet and a septic sewer. I don't know. I am assuming that is what he means. At any rate, I recognize that this is a reason for forming a city but I deny that it's the only reason, and my contention is that small cities can exist for reasons other than providing sewers.

LANTERMAN: Well, now are we going to have what you might call a high level, or summit, conference of all of the municipalities in this area to take all the rest of this blight of white that is on the map here and, shall we say, divvy them up amongst the boys so that they can be all nice and beautiful big solid areas, or are you going to let that come about naturally and see who gets there first with the most?

BRADLEY: That's a loaded question.

LANTERMAN: Well, Mr. Chairman, I just wondered whether the Mayor had any idea that the rest of the communities out there might get together just out of self-defense, or whether

they were going to just say, we'll keep our own boundary in one piece now and we dare you to do anything more.

BRADLEY: I'll warn you again, Mayor, Saratoga may want to have some annexations of its own.

BRAZIL: This is a doubtful proposition but I suppose it is theoretically possible.

LANTERMAN: Well, I'm wondering what is going to be the outcome of this. What do you people feel ought to be the outcome?

BRAZIL: Well, I have personal views on what the outcome ought to be but I have quite different views on what it is likely to be.

LANTERMAN: Would you explain first what you think it ought to be as an individual?

BRAZIL: As an individual, I don't think it should ever have gotten that far in the first place.

LANTERMAN: Well, that's granted.

BRAZIL: I don't really know within the bounds of the requirements and the opportunities offered by State law what could be done to untangle it now. It's sort of like trying to unscramble an egg; it's a little hard to do. If it were possible to get these jurisdictions to sit down and play like the 19th century European diplomats and carve the map up in some reasonably rightful fashion, this would be a good thing. I would be for it as an individual. As a prophet, however, which is a very dangerous occupation, I doubt very much that it will happen. I can see nothing in the political cards at the moment that indicate that

anything more than further confusion is likely to result in the foreseeable future.

LANTERMAN: You don't agree, then, with Mr. Antonacci that no road block should be placed in the path of the metropolitan core city in its normal and natural growth?

BRAZIL: I disagree with him, sir, on two counts: one, that the growth which he has in mind is either normal or logical; and two, that there should be road blocks in front of it. I think there probably should have been a long time ago.

LANTERMAN: You want some legal penicillin to prevent further . . .

BRAZIL: It might be useful. It would certainly enable certain kinds of problems to be avoided. I recall, for example, the statement made some time ago by a police chief of one of these cities that he could not guarantee police protection at the proper level in some of the outlying fingers, that it was physically impossible to do it, even though the citizens were being taxed for it. That kind of problem could be avoided if there were no fingers to put the police into.

LANTERMAN: Well, do you feel that out of this welter in the next few years as these things jell into more and more of a coherent pattern and not quite so splattered, as it were, that you might come to some area of agreement in consolidation of functions across the board that might be . . .

BRAZIL: This is possible; this is possible. I was rather attracted to your suggestion of this morning that one of

the ways out of these difficulties is through the use of some such device, such as a metropolitan sewer district. I have a personal view on this which is not universally shared either by my colleagues in Saratoga or elsewhere but the real field of usefulness for the consolidation of functions lies in two directions; one, where a local government function deals with a problem whose aspects are determined by geography - period. This is the case with the drainage of storm waters; it is the case with the disposal of sanitary sewage. Geography is the prime element involved. Then I can see a very good reason for forming a governmental unit to cope with that problem which coincides with the geography that determines the nature of the problem. For example, in my view, the whole south end of the Bay is one drainage basin in which all the garbage and sewage and water ends up in the same place. I would think it might be an excellent idea to form a sewer district comprised of everything that drains into the south end of San Francisco Bay, the whole basin.

LANTERMAN: Al East Bay MUD?

BRAZIL: A la East Bay M.U.D. On the other hand, there are also some kinds of functions in which local control is very important because the function is a highly political one. I have in mind, for instance, police protection. You can have both local control of the policy side of police protection and still take advantage of economies of operation if a single agency does the work but multiple agencies determine the policy. This is why I like the county contract system.

LANTERMAN: Well, in other words, if you had a metropolitan police force in this area which might be possible . .

BRAZIL: It's conceivable.

LANTERMAN: If you were to take the city police of San Jose and the Sheriff's Department and come up with an answer whereby you could contract for the level of service out of the source of supply by your tax determination of the local body, that would be your concept of a consolidation of functions.

BRAZIL: Right. We have in Saratoga now a county contract arrangement for police protection in which the Sheriff's office provides our police protection. We are eminently satisfied with it; the performance has been excellent and we have had no reason for complaint whatever. We think we are getting very good protection and we think we're paying a fair price for it. There are some of our neighbor cities which don't but I can argue with them on the economics of the thing. We like the arrangement very much and I quite agree with Mayor Inglis that if somebody wants to save the taxpayers' money on overhead expenses, this is the simplest, most direct, and most easily achieved way of doing it.

LANTERMAN: Thank you very much.

BRADLEY: Mr. Winton.

WINTON: Mayor Brazil, you mention in your presentation as you were in the process of incorporating, the possibility of uninhabited annexations inside of your natural boundaries. Had you started formal proceedings for incorporation prior to the time of these notices? I imagine not.

BRAZIL: As I recall the timing, we had begun the grass roots portion of this, had formed a citizens committee for incorporation, had undertaken to raise money, had gone into the legal work, the drafting of legal descriptions, and had our boundary committee at work, just about the time that San Jose began throwing annexation directly into the area we considered our own. They were already at the limits when we began. This was the spur that kept us going.

WINTON: Do you believe that there could possibly be some protection against such action; I mean, some period in which nothing could happen as far as uninhabited annexations?

BRAZIL: This is exactly what I am suggesting. The inhabited annexation procedure poses no problem in this regard. It's the uninhabited annexation, or "inhibited" which I like much better, that gives the real difficulty and I think some form of protection for an area proposed to be incorporated would be very valuable.

WINTON: Would you agree with the Admiral, the Mayor of Monte Sereno, that we should eliminate uninhabited annexations entirely?

BRAZIL: I would like to, out of local patriotism and personal experience. I find, however, that in a somewhat wider view of the situation that that perhaps might create more problems than it would solve. I think a more workable answer would be some way, the answer to which I do not know, of providing that the uninhabited annexation technique could be used only under certain

circumstances which would indicate that it was a better way of doing things than something else. For example, I can think of cities in which the surrounding area is entirely vacant except for sheep, cattle and rabbits. I can see no reason to insist on inhabited annexations in those areas - rabbits don't vote very well. So, a blanket prohibition would of course make it a little difficult for them. However, if some distinction could be made between that situation and one in an area in which cities are reasonably close together, this would be useful.

WINTON: Do you believe that perhaps a limitation on uninhabited annexations that they must be contiguous territorially to the city making the annexation would be a safeguard?

BRAZIL: As I understand it, sir, that's a provision of the law now, that they have to be contiguous at some point.

WINTON: That's right, but I was thinking that instead of fingers and strips it should be required that these boundaries be more substantially contiguous.

BRAZIL: Yes, sir. I think that a provision, for example, as was suggested to me the other day which required a certain ratio to exist between the dimensions of an uninhabited annexation, such as ratio of length to width, might be a way of getting at this. I certainly think some kind of legislation ought to be devised which would prohibit the long sticky finger, either with or without a bulb on the end.

WINTON: Thank you.

BRADLEY: Thank you, Mayor, very much. We appreciate your appearance before the committee.

I would like, before we call the next witness, to point out to the Committee that unfortunately we are beginning to run into a little time factor here, in view of the fact that some of our committee will have to take a plane soon, so if we can bear in mind what our problem is as we go along now, we'll try to get the testimony of the rest of these witnesses into our record because many of them are of great interest, I know, to our study.

WINTON: Mr. Chairman, I'll help you. I'm going to have to leave now so that will be one member less to ask questions.

BRADLEY: I'm sorry you have to leave. Is there a representative of the Citizens' Committee of Los Altos Hills here in connection with a disincorporation activity? Would you care to come right up here please? Will you state your name please for the record?

FRED GUTT, Citizens' Committee for the Disincorporation of Los Altos Hills: My name is Fred Gutt, spelled G-u-t-t.

BRADLEY: I understand, Mr. Gutt, that you are on a citizens committee that at one time favored disincorporation of Los Altos Hills.

GUTT: Yes, sir, that is correct.

BRADLEY: We are particularly interested - and I think, gentlemen of the Committee, that the next group of witnesses will be of considerable interest to our record. I was desirous of getting the pros and cons of a disincorporation movement and then get the pros and cons for an incorporation movement, and our next four witnesses, beginning with Mr. Gutt here, will be in this regard

Mr. Gutt will give in his own words the position of the Citizens' Committee for Disincorporation, and then the opposite side will be presented by the City of Los Altos Hills. Following that, we will have a presentation from a citizen of a committee for incorporation of a new city of East Palo Alto, and a representative from a group which is against incorporation of this area, which ought to round out our record very well on this business of incorporation of cities. Therefore, Mr. Gutt, in your own language and in your own way, will you just give the committee the general background and reasons why your group was in favor of disincorporating the City of Los Altos Hills, and would you start out by telling the committee what year the City of Los Altos Hills was incorporated?

GUTT: The City of Los Altos Hills, to the best of my recollection, was incorporated in February of 1956. I believe the date was February 26. At that time I, among others, was opposed to the incorporation of the city. The vote on the incorporation was approximately, without the absentee ballots being counted, 424 to about 339 in favor of incorporation. I personally observed the operation of the governing body of the city during the two-year period of time from February of 1956 until April of 1958, during which time the election for disincorporation was held, and it was our opinion that there was no practical reason for the continued existence of that city. The feeling was that it offered no protection which had not been offered by the county; we were paying a tax rate directly of 25 cents per \$100 and there was an indirect levy in the way of licenses and other fees which

in our opinion could not be justified by what we were getting. The fact is that our road maintenance program had deteriorated to a point where last year the statement was made that the city council of the City of Los Altos was to present a bill to the State of some \$295,000 which it wished to obtain for the repair of its roads on the theory that this had been caused by storm damage. The sum and substance of the entire thing is that this government offered nothing which was not offered by the county for less money. As to the problems involved in disincorporation, a statement was made by the Mayor of Monte Sereno that it should be made more difficult. I personally can see no particular quarrel with asking for a 25 percent signature requirement on a petition for disincorporation if it brings it in line with the requirement on other petitions. On the matter of the statements made on the subject of disincorporation, it would seem fair that those who are for disincorporation should also bear the burden of the expense thereof. However, as to the matter of giving the council discretion in the calling for either a special election or deferring it until the next municipal election, it would make disincorporation virtually impossible, simply by reason of the time element. If the petition were presented some time shortly after a municipal election, the city council could then delay it until the following municipal election, or a matter of two years, which would of course, as a practical matter, kill any possibility of the disincorporation.

BRADLEY: Are there any questions from committee?

Mr. Lanterman.

LANTERMAN: Just one brief question. Was there any annexation or intrusion into your area that was the cause of your incorporation in the first place?

GUTT: No, sir. Ostensibly the reasons for incorporation were that the county would not protect the acre zoning and that there was a threat of annexation by other cities. This threat of annexation was certainly not evident by any overt act by any other city; certainly the county had been protecting our acre zoning. To me this matter of incorporation of the various geographic units simply makes for a real agglomeration of the whole area which seems to me that the problems of the peninsula are not problems which can be solved by governmental bodies which comprise an area of nine square miles. We have planning problems; we have tremendous transportation problems; we have problems of industry moving in which must be taken care of on an areawide basis. The basic reason for most of these incorporations as given here today has always been to retain something called rural atmosphere, or our way of life, and the fear that somebody is going to infringe upon it. We hear about rural communities which are going to retain that way of life and the big bad community of San Jose which is reaching out, and yet the problems are not the problem of San Jose, or the problem of Los Altos Hills, or the problem of Monte Sereno and Saratoga and the rest of them; it seems to me that the problem is one which is areawide. San Jose provides employment and industrial base for a great deal of this entire area. Now the people who live in Saratoga and Monte Sereno

and Los Altos Hills work in San Jose or in San Francisco and are perfectly willing to clutter up the facilities of those cities but then they wish to withdraw into their own little bailliwick and say that we don't want any part of your problem and we've got this thing all wrapped up for ourselves, don't bother us. Now, I don't believe that this is an equitable solution to the very serious planning problem in this area.

LANTERMAN: Well, do you think that the county regional planning might handle the matter, or preferably the City of San Jose?

GUTT: Well, as a matter of personal preference, I would rather have it on a countywide basis. There should perhaps be county regional planning so that all of these various areas can get together with the county and solve their problems on an areawide basis rather than the small separate basis which we now have.

BRADLEY: For the record, Mr. Lanterman, it might be pointed out that the City of San Jose has no boundary close to the City of Los Altos Hills.

GUTT: That's correct.

LANTERMAN: How far?

BRADLEY: Quite some distance, I would say.

GUTT: I would say certainly not less than five miles.

LANTERMAN: That's a small item, isn't it?

GUTT: Well, I believe there may be avenues by which it can be reached.

LANTERMAN: Do you think it will be?

GUTT: I beg your pardon?

LANTERMAN: Do you think it will be?

GUTT: I don't think so.

BRADLEY: For the record, I would presume it would be proper to say that Los Altos Hills is very closely related to the cities of Los Altos, Palo Alto and Mountain View. That's your particular immediate area, I would say.

GUTT: That is correct. However, to the best of my recollection, it nowhere touches any of those areas except possibly Los Altos.

BRADLEY: Any further questions? Apparently not, and we thank you very much for your presentation. Now may we have City Councilman Sidney Treat of the City of Los Altos Hills? Will you be seated here and give us your full name for the record and your official position in connection with the city.

SIDNEY W. TREAT, City Councilman, Los Altos Hills:
My name is Sidney W. Treat and I am a councilman in Los Altos Hills. For the record, I was the Mayor of Los Altos Hills for two terms. Incidentally, I bring you the regrets of Mayor John Fowle who had to be out of town but would otherwise have represented the city here today. Because of my earlier connection, he asked me if I would take on the job. You have a summary of my remarks; do you wish that I take out excerpts, or answer questions - I can present it any way you want.

BRADLEY: Mr. Treat you are free to present this any way you desire. You have presented to the committee a prepared

statement which will be incorporated into our record and I think that you could very well read what you have. It doesn't appear to be too long.

TREAT: I've kept it as short as I could.

BRADLEY: I think it would be all right for you to go right ahead.

Note: During 1948 and 1949, Treat was President of the Los Altos Citizens Association; this was before the incorporation of Los Altos and before the City of Los Altos Hills was ever thought of.

TREAT: The Los Altos Citizens Association was formed by a group of citizens from the entire area, now Los Altos and Los Altos Hills. Its purpose was to arouse, if possible, interest in orderly and planned development of the area. The membership was never more than two hundred (200) and as incorporation became recognized as the better procedure, the movement was dropped.

The Town of Los Altos Hills

A city of the sixth class, incorporated January 27, 1956, located roughly west of Los Altos, as shown in pale green on the attached map. It has an area of $9\frac{1}{2}$ square miles; includes twenty-nine (29) miles of roads; at the time of incorporation had 1,167 registered voters. At the 1958 election this number had grown to 1,397. A fair estimate of our present population is 3,650.

At this time we have no schools although several sites have been purchased by the school districts. Our Town includes portions of both Los Altos and Palo Alto districts.

Argument for Incorporation

Briefly, we incorporated to protect our beautiful rural residential area from a breakdown of its one-acre zoning, and from the dangers of piecemeal absorption of our land by adjoining communities. You have heard that several times before today.

Attached as Exhibit A are excerpts from a six-sheet brochure sent in 1955 "To All Foothill Property Owners". These excerpts graphically describe the dangers, also they give an excellent picture of the kind of community we want, and point out the advantages of government by fellow residents familiar with local problems and responsible only to the voters of the area. Bear in mind this was sent to all the voters, all the entire population of the area which we considered would be interested. It was gotten out by the combining of the activities of four, in the end five, groups which had banded together to protect their area from encroachment and had again and again gone down to the County Planning Department to try and prevent some variance on non-conforming use. So it represents the feeling of some two years' work.

The New City

Officers: Nominations were obtained by means of a straw ballot by arbitrary districts. From these the council was elected.

The Town was fortunate in having the services of Gardner Bullis as City Attorney and Charles S. McCandless as City Engineer (both served without salary). It should be added that Mr. Bullis

was also City Attorney for Los Altos, having guided them through the details involved in incorporation, he was particularly valuable to us in preventing some of the usual pitfalls of a new city.

Mrs. E.R. Lovett has been Treasurer from the beginning.

Financial: A simple budget was set up with estimated income being Town Tax \$15,000; Fees, Licenses, etc. \$6,800; Gas and In lieu taxes \$24,000; Chapter 1890 Fund \$1,000. Total \$46,800.00. Estimated Expenditures: Roads \$25,700; Police (County) \$6,000; Engineer's Office \$2,400; Town Clerk's Salary, part-time secretary, auto mileage, office expense, etc. \$5,400; Planning Commission expenses \$750; Miscellaneous \$3,050; Reserve \$3,500. Total - \$46,800. We borrowed \$2,000 from the local bank, never increased or renewed, and soon repaid.

Total Assessed Valuation - 1953 --	\$3,939,890
1954 --	4,814,680
Tax rate unchanged from the 1955 --	5,700,000 (Est.)
beginning is 25 cents 1956 --	6,431,930
1957 --	7,493,690
(Unofficial) 1958 --	8,337,790

During 1957, recognizing that locally we could more efficiently handle the rapidly growing volume of new construction, we established our own building department and set up a schedule of fees and licenses. Our city clerk was given additional duties as Inspector of Public Works, an assistant clerk and inspector helping him carry the extra load. The 1957-58 budget reflected the new set-up with estimated expenditures of \$74,934. Indications are that the final audit will show this has been more than covered by income. The budget for 1958-59 will be adopted at our September meeting after a public hearing.

Planning Commission

Knowing that subdividing our area would be our greatest problem, the council selected the members of the planning commission with extraordinary care. They worked long long hours on each case brought to them, with due caution as regards to precedent and gradually evolved enough for the council to bring out our subdivision ordinance. As inequities or other flaws developed, amendments were passed. A zoning ordinance, presently under a final check by a joint committee and the town attorney, is expected to be made into law before the year's end. Our master road plan had to be delayed by uncertainty as to freeway location. Its completion and adoption is now expected at an early date.

Town Hall

We rented an old schoolhouse for our meetings for we wanted to encourage the town hall atmosphere with suggestions and arguments from the floor. At an early date we received a gift of one and one-half acres from Arthur Fowle, Councilman, soon followed by \$15,000 from Earl Dawson towards a town hall. Plans and supervision were donated by William Simrell, Architect, and also Chairman of the Planning Commission and one of the mainstays of the incorporation movement. Supplemented by gifts from many sources, a sum was reached which allowed us to build our present town hall at no cost to the city.

Problems: Los Altos Hills, because of its struggle to keep as close as possible to the simple country life, to residences only, to the roads as we took them over (2-lanes, not straightened,

except as danger spots developed) has had some unusual problems. Many citizens are still orchardists. Our roads are the only access for a quarry located on adjacent county land (on active days trucks going or coming are a danger and do much damage to our lightly built roads); because of crowded highways, cars detour to one of our main roads and for two (2) hours each morning and evening, the road is almost useless for our citizens as the traffic (which contributes nothing) from neighboring towns move to Stanford Industrial Center - 10,000 cars a day, probably 9,000 from outside.

Recommendations: Creation of small cities should be encouraged. The same arguments apply to them as to the States' Rights. Just as the Federal Government cannot wisely or efficiently run the States with their local problems, so the County should not expect or try to take over the small cities, in spite of logical arguments about efficiency.

On the other hand, cities given some power of veto and control could well be encouraged to extend their contract system with the county - just as we now contract for collection of taxes, for police, for health inspection.

A study should be made of the problems of traffic and road maintenance. We are perfectly willing to take care of our own traffic and such traffic from outside as could be classed as normal; but feel the County, possibly the State, should assist in abnormal cases. In the case of the Neary Quarry, above mentioned, the greater part of their hauling is for highway work or government enterprises, such as Moffett Field.

The distribution of gas tax and in lieu funds should be restudied. Consider giving a much larger portion to cities which now occupy and maintain much that was county when the law was written.

The present provisions for calling a disincorporation election make it too easy for a very small, dissatisfied minority to force an election with all its upsetting and disruptive features upon a well-satisfied majority - as witness, our own election in 1958. We feel serious consideration should be given to requiring signatures of 30 percent of registered voters on a petition to hold such election and provision be made that costs of election be born by pro-disincorporation advocates, with a lien on assets for a refund if they win.

EXHIBIT A

A movement is underway to incorporate the Los Altos foothills and adjacent foothill areas into a rural town. The objective is preservation of the rural atmosphere of the foothills. This leaflet explains in detail the incorporation movement. It has been prepared by the Foothills Incorporation Committee acting for the four property owners associations of the foothills area.

WHY INCORPORATION IS NECESSARY

The reasons behind the proposed incorporation of the Los Altos Foothills are simple ones. Most of us want our area to remain residential, quiet, and reasonably rural. Most of us do not want to witness a piecemeal breakdown of our country residence zoning. Most of us don't want to be absorbed into any of the nearby cities where we would be outvoted and overwhelmed by their denser populations.

Actually, most of us would also prefer to go on just as we are, in the County, without any more responsibilities, government, or taxes. But that, unfortunately, does not seem possible. The many of us who have followed recent successful attempts to break our zoning, and who have noted how far the planning surveys of nearby cities extend into our foothills, are convinced that

incorporation is our only choice if we are to preserve our uniquely beautiful locality and our rural pursuits. The Los Altos Hills comprise one of the most beautiful residential sections in all of California and one of the most desirable - and one of the most threatened.

A thoughtful look at what has been happening recently will show why prompt action is necessary. Since the war, our region has undergone a vast economic growth. Quiet rural spots in many parts of the Peninsula have disappeared entirely. In five years, twenty percent of the county orchard lands have been taken over by housing and industrial tracts (this, bear in mind, was written and issued in 1955) and the rate is accelerating. Our neighboring cities, the County itself, chambers of commerce, and even Stanford University, are bending every effort to bring in still more industry, commerce, institutions and population. The pressures for exploitation of our foothills are enormous. (Obviously, taking a single example, the industrial area of Stanford University would be very glad to have residences on the quarter-acre basis very close to them. We touch the Stanford lands.

Our only defense against these pressures is the county zoning ordinance but this gives us "land use protection" in name only. Loopholes exist by which the planning commission and also the board of supervisors may grant, at their own discretion, variances, use permits, and outright rezoning, to permit a multitude of things we do not want. We have the right to protest, of course, but changes can be made and have been made over the united protests of virtually the entire foothills population.

In four years our protesting strength has increased from one property owners association in the Country Club district to five united associations encompassing almost our entire area, but even this united front has failed to match the increasing pressures. Many changes, involving quarrying, a resort, institutions, reduced lot sizes, have been made over our strongest protests. Our few successes have been due to constant vigilance and continued opposition at repeated hearings.

One recent case is a prime example of the growing tendency to favor commercial interests, and ignore the property rights of established residents. A ten acre tract east of Miranda was rezoned for subdividers, from acre to quarter acre lots, over the combined protests of all the 32 surrounding property owners and all the five foothill property owners groups. This, of course, was all pre-incorporation. At some hearings our spokesmen have been called down for presuming to bother the Planning Commission with our protests.

Our country residence zoning, our rural pursuits, our quiet atmospheres, are important only to us, the actual residents of the foothills. It does not seem wise to allow the power of

life and death over such things to remain outside our area, in other hands. Though most of us sincerely wish it could be otherwise, it is evident that incorporation is the only safe course to follow.

WHAT KIND OF COMMUNITY DO WE WANT

Discussions throughout the Los Altos foothills indicate that we are in general agreement as to the kind of community we want:

As little change as possible in our hills, our groves and fringes of trees, our fields and orchards, our roads, as will be consistent with orderly, natural, unhurried, residential growth.

A wide and not over-populated community of homes in the country, organized only enough to protect it from what would destroy it. Only such planning, controls, ordinances and services as are absolutely essential.

We want the sun and air and quiet of a community which has given itself enough space to breath in; the relaxed pace of country life and rural pursuits, and the space and right to keep animals - rabbits, chickens, dogs, sheep, cattle and horses.

We want roads that are content to remain country lanes as long as they are suitable for the residence traffic of our area. We do not want to be forced to rebuild them into highspeed highways to suit non-residential traffic of resorts and quarries.

Most of us in the foothills want at least one acre of land, regardless of what real estate experts and national surveys tell us about weed patches, costs, taxes and work. We want room to walk around our houses without knocking our heads on our neighbor's eaves. We want to listen to the radio when we turn it on, not when our neighbors do. We would rather look over our neighbor's paddocks, and even over their weed patches, than into their windows.

We do not want high speed roads, still more traffic, still more quarrying and trucks, more or bigger resorts, dense subdivisions with standardized house plans and expensive sewer requirements. We do not want more industry and commerce to "broaden the tax base" and all the city controls and facilities required to cope with them. We do not want a full scale police force, a full time council, a city manager. If, someday, some of us think we need markets, gas stations, public buildings, a community center, the rest of us want the right to approve or reject them by actual vote of the majority. We do not want such things imposed upon us by anyone, not the county government nor a city next door.

We can build in our agricultural businesses and hobbies permanently our horse ranches, riding schools, nurseries, orchards,

chickens, cattle. We can build a friendly town meeting kind of community, with a neighbor from down the road on the council and control in our own hands, where it belongs.

Experience in other Bay Area communities shows dramatically that when incorporation is achieved early enough, before divergent interests make themselves felt, a community retains the atmosphere its incorporators planned for it. On the other hand, when incorporation takes place after commercial interests have become established, the "parade towards progress" becomes inexorable - the incorporation itself actually seems to become a vehicle for the divergent interests. Compare on the one hand such purely residential communities as Hillsboro, Atherton, Piedmont, Ross, with any number of cities which started out with the idea of preserving rural atmosphere, but too late. Those we elect to our council will all be fellow residents with rural pursuits of their own, who share our desire to preserve our unique atmosphere. Furthermore, they will be responsible only to the voters of the area, not to any divergent interests.

TREAT: Those excerpts from this six page brochure really present our feeling.

As we incorporated our new city nominations were obtained by means of a straw ballot by arbitrary districts and from these the council was elected. The town was fortunate in having, as I mentioned before, the services of Gardner Bullis and Charles S. McCandless. Paul W. Salfen, our City Clerk, is a part of our representation here and I may refer technical questions to him.

Looking ahead, I have the feeling that much as we would like to see disincorporation made more difficult, so far as our area is concerned, we don't know whether the question will be raised again. From the individual contacts I have made, I would say not. The movement has been dropped but the next five to ten years will be crucial because bear in mind that between 2000 and 3000 families will probably be our saturation point spread over one-acre minimum lots. We hope that a number of pieces will be

two or three acres, or even larger, and that given roads, parking places, and the usual necessary spaces for schools and churches, that when it is completely saturated, there will be less pressure from the subdivisions. It will be much more difficult to find large pieces, and combining the one-acre minimum is nothing interesting for the subdivider.

I think that gives you everything that I can think of that would help you in your problem. I had a talk with Mr. Farrell and told him I hoped that there was no thought of entering into a debate on disincorporation because as an engineer, I am not prepared to handle such a situation. On the other hand I will be very glad to answer questions if I can.

BRADLEY: Thank you very much, Mr. Treat. You have given us a very complete presentation of both the reasons for the incorporation of the new City of Los Altos Hills and your reasons why you feel the city should remain. Certainly a 75 percent voter turnout is a good one.

TREAT: Oh the feeling was tremendous. It was a feeling that I think the opposition recognized since they expressed their feeling, well, that's it, we'll play ball with you and stay. But there was a lot of feeling of irritation. It was, why are they subjecting us to this? We don't want it; they know darned well we are not going to vote for disincorporation. This thing shouldn't be allowed—and 75 percent could well have been 90 percent, I think, if some people hadn't been out of town, and, well, the usual excuses.

BRADLEY: Thank you very much, Mr. Treat.

TREAT: Thank you for the privilege.

BRADLEY: Mr. Donald A. Barr.

DONALD A. BARR, Ravenswood Incorporation Committee:

If you were to ask me what my own personal problem was in this matter, it would be time. That's why you are only getting seven copies of my presentation instead of fifteen.

BRADLEY: Mr. Barr, will you state your connection with the committee for the incorporation of East Palo Alto.

BARR: Well, Mr. Chairman, ladies and gentlemen, I am representing the Ravenswood Incorporation and I have a very brief statement to make since I assumed when I came here that mine was mainly a function to answer questions and not to go into too long a discussion on our views.

BRADLEY: May I interrupt you for just a moment? For the clarification of the record, would Ravenswood and East Palo Alto be the same territory?

BARR: They are the same. I'll state right at the outset, since the word has been used so much, that we are not interested in maintaining the "status quo". I can't see, in the face of this tremendous population explosion that we are going to experience in the future, and that we are experiencing now, how anyone can seriously suppose that they can maintain an absolute status quo. I think it's wishful thinking. However, that is my own personal opinion. East Palo Alto, or our proposed city of Ravenswood, lies in the southeast corner of San Mateo County. It is bounded on the east by Fremont and Alameda County, on the south by Santa Clara County, on the west by Palo Alto, Menlo Park,

and on the north by Menlo Park and Redwood City. We have lost some of the area we intended to incorporate but presently we are thinking of incorporating from 12 to 13 square miles. I might also add, and this is a point that the gentleman from Fremont did not mention, that a goodly part of the city we are intending to incorporate lies under water. We think that we have approximately 3 to 4 square miles with a very high density of population and we have a potential expansion across dry land of about 3 more square miles. Population-wise, we are about 10,000; assessed valuation-wise it is about \$12,500,000 or \$12,800,000. I don't have the very latest figures on that. Now for the statement. Why do we Want to Incorporate?

First it should be realized that the Ravenswood Incorporation Committee, though endorsed by local civic and homeowner groups, does not represent the people of East Palo Alto. Local representation is, however, one of the reasons we believe East Palo Alto should incorporate. It should also be realized that our committee members are by and large opposed to increased government, so why incorporate?

Basically, we are faced with the disadvantages of a city now, such as high density of population. We are not rural - most of us live on 5000 square foot lots - and our population density per square mile is greater than that of many existing cities on the peninsula.

We have police problems aggravated by a transient population, unemployment, and again, high density of population.

We have an over abundance of special districts, each created independent of the other, and many operating independently of the other with a wasteful amount of duplication.

We have lack of representation. The number of community problems increases in proportion to the increase in population.

We have lack of good traffic circulation. East Palo Alto is a dead-end, traffic-wise.

We have a lack of basic improvements. Again, the improvements, such as streets and storm drainage, have not kept pace with the growth of the population.

Why do these disadvantages exist? Mainly because we exist within a county jurisdiction set up to administer on a rural level.

How would incorporation help our community? Incorporation of our area will have its drawbacks, we are sure, but incorporation is the only legislative level offered at present that can come anywhere near meeting the needs of the residents.

Incorporation will help because: We will have a city council responsive to and sympathetic to the needs of the people. We will have our own badly needed representation. We feel that as far as East Palo Alto is concerned that the courthouse, boards of supervisors, etc., are entirely too remote from our community of East Palo Alto.

A city can help our commercial interests compete with those in neighboring cities. A city can see to it that subventions, grants and revenues earned in this area, are spent here to

satisfy our needs. We estimate our subventions, grants and revenues to be in the neighborhood of around \$100,000 a year.

We can have round-the-clock city police protection. The San Mateo County Sheriff's Department admittedly is not equipped to handle our area.

A city can control zoning and planning so that land use benefits the community instead of a few.

A city can help preserve a community atmosphere that has existed in East Palo Alto for better than half a century.

A city could help eliminate the dead-end character of the area, probably the greatest economic deterrent to the natural growth of this community. I speak here mainly of University Avenue.

Most important, however, we believe that a city of our own would give us needed pride in our community. A city would give the community a goal to aim for, something constructive to set their sights on. And this, gentlemen, is something I found to be lacking in all the issues so far brought before you this morning. I believe very personally that you should not embark upon incorporation proceedings to merely attain an end. I believe that you should set your sights past the actual obtaining of an incorporated city. This goal, many of our committee members believe, should be the establishment of the finest commercial-recreational area on the Peninsula. This, I believe will probably be out on the Bay and the San Mateo County Planning Commission has reason to believe that this can be so.

Why must we act now? This community is facing continual threats of annexation of its desirable undeveloped lands. If this annexation continues, the remaining assessed value base will not support a good city.

During the next twelve years it is estimated that an additional two million residents will settle on the Peninsula. In order to prepare for this onslaught, our area must have an orderly development pattern worked out beforehand at a local level.

Where does the opposition come from? Generally speaking, our opposition comes from three sources:

1. Absentee and resident owners of undeveloped land.
2. Absentee and resident industrialists.
3. Residents long established in the community.

On the other hand, as mentioned earlier, our support has come from homeowner associations and civic groups.

To summarize: We believe that East Palo Alto must use incorporation as the best means available now to lift itself into its rightful place among other Peninsula cities. We cannot remain as we are. If we don't make up our own minds for our own city, the neighboring cities will have to decide for us.

That's all I have, gentlemen.

BRADLEY: Mr. Barr, may I ask you a question along this line? There are very few native sons and daughters of California. Are you by any chance a new resident of California, or comparatively new?

BARR: No, I'm a native son.

BRADLEY: You are? Were you born in this area?

BARR: Yes, in San Francisco.

BRADLEY: Very interesting. All right. Are there any questions from members of the Committee? Mr. Britschgi.

BRITSCHGI: Mr. Barr, how many different districts do we have down in East Palo Alto now?

BARR: This is general. We have two major sewer districts, two major county water districts, several maintenance districts, sewer and flood districts, and a recreation district. And then we have two smaller mutual, or privately owned, water companies - two or three. This is in general, give or take one or so. We have our share of districts.

BRITSCHGI: Was it your thought to do away with some of the districts down there?

BARR: Well, we have maintained that this is a policy matter that a new city council should decide. However, in talking with our attorney, he has advised me that some of the districts can be dissolved by legal processes; whether or not the new city will choose to do this, I don't know. I do know if they do, and if they combine some of these facilities into say one maintenance department, they probably could save money for the taxpayers.

BRITSCHGI: Were you planning on taking in part of Bellhaven on the other side from Menlo Park?

BARR: We go right up against the Menlo Park city limits.

BRITSCHGI: And you're going to go out toward Dumbarton Bridge and then over and around?

BARR: Out in the Bay we follow recreation district boundaries. We would move in behind Menlo Park, naturally, and move out to Redwood City.

BRITSCHGI: Thank you.

BRADLEY: We thank you, Mr. Barr, for your presentation and your written presentation will be made a part of our records, which very well sets forth the arguments of your committee.

Now, is there a Mr. Tom Kavanaugh here representing Mr. Hynes? Mr. Kavanaugh, will you be seated, please? I understand you will be speaking for Mr. Hynes. Will you state your full name, and I believe you are a part of the Committee Against Incorporation of East Palo Alto.

THOMAS KAVENAUGH, Committee Against Incorporation of East Palo Alto: Mr. Chairman and members of the Committee, my name is Thomas Kavanaugh and I am on the Committee Against Incorporation of East Palo Alto. The East Palo Alto area is all east of the Bay Shore. The proposed incorporation includes 13 square miles. Ten square miles of this is owned by Leslie Salt and Ideal Cement. It is all either under water or in front of the dykes so that it leaves us with approximately three square miles, of which another half square mile is in front of the dykes owned by private individuals. The population is a debatable point. There are 4,400 registered voters in this area; the County says this is approximately a thousand shy of what it should be. So, using the 3.2 ratio of registered voters, we feel we have approximately 15,000 residents. The area is divided into three new subdivisions, and the older sections of town that many people feel is poor man's Atherton - or, listening to the gentleman here today,

it would be a poor man's Monte Sereno - where you have acre, two acre, three acre, and five acre sites with instead of \$40,000 homes, \$8,000 or \$10,000 homes. Instead of fancy gardens, we have people who raise chickens and rabbits and have small orchards and vegetable gardens. The assessed valuation is \$12,400,000, of which 15 percent is owned by Hiller Helicopter. Now to our special districts.

We have a fire district with a 72 cent tax. This same fire district takes in all of Menlo Park and Atherton and all the unincorporated land on the southern part of San Mateo County. Our water districts levy no property tax rate, and we have the second lowest water rate charge in San Mateo County, so that our water system can't be improved on. And using the two water systems as a means of determining the growth of our area, last year there were only approximately 30 to 40 new water hookups in all of East Palo Alto. We have two sanitary districts. One is the Menlo Park Sanitary District that takes in all of Menlo Park, Atherton, and part of the unincorporated area of southern San Mateo County. Their tax rate is 25 cents and could not be improved upon. The East Palo Alto Sanitary District helped to buy, and has paid its share of the Palo Alto Sewer Disposal Plant, so that we have a vested interest in this system and it cannot be improved upon in our area.

As far as our schools are concerned, we are in the Sequoia High School District and the Redwood School District which takes in part of East Palo Alto and part of Menlo Park,

about half and half. At the present time East Palo Alto is the highest combined school taxed area out of the 300 school districts in the Bay Area. Our P.G. & E. rates are city rates. There would be no improvement at all in these aspects under incorporation. Our roads and streets are adequately maintained by the county and the best thing that will bring this out is that after months of hammering at the committee for incorporation for a proposed budget, they came out with a budget that allotted \$35,000 to roads and streets. In the year 1956-57, San Mateo County spent \$48,000 on the roads and streets in our area. We have police protection from the Sheriff's Office. The major amount of trouble that we have in East Palo Alto is domestic trouble. This is an integrated community and we have two large districts of negroes so that the majority of our trouble comes in the home. In 1953 the people of the community decided that there was a lack of recreation facilities. A recreation district was formed which takes in approximately \$3,000,000 more assessed valuation than this proposed city. It has a budget this year of \$80,000, and a tax rate of 45 cents, with a $4\frac{1}{2}$ cent bond issue that a few years ago built a swimming pool for us.

The incorporation movement was started by the Chamber of Commerce when the Chamber decided to look into it. After three or four months they weren't getting anywhere so a bonding firm was brought in. This bonding firm was to make an impartial survey and in return they were to get, if possible, all the bonds that would come up in our area for the next five years. So the

incorporation movement in our community is nothing but a promotion of a bonding firm. Our community is nothing but the victim of this bonding firm. They have made the survey; they have paid for the literature that the committee for incorporation has put out. It's amazing how much free advice you can get when you are trying to form a town. Here they have a bonding firm make a survey, pay for their literature, and they can go to a firm of attorneys and get free advice. We don't feel that is fair at all.

Now, as for the stories today of inhabited and uninhabited annexations, when this incorporation movement started, all the part of East Palo Alto that was west of the Bayshore Highway tried to form their own little city. That failed due to the lack of the 25 percent signature requirement. Then they tried to annex to Menlo Park. This failed because they had a protest from owners of 63 percent of the assessed valuation. In other words, the people on that side of the highway wanted to remain just as they are today which is how it is at the present time.

As for the uninhabited annexation and people saying that they are unfair, on our side we had an industrial owner annex 100 acres of industrial property into Menlo Park. Now it wasn't unfair because it was uninhabited and this man just spoke for his own property. So, if a city such as Menlo Park uses your laws correctly, there is no injustice at all. We feel that we don't have enough assessed valuation to adequately support a town. By incorporation, our community will face certain ruination by one or two ways, either by excessive taxes and bonds promoted

possibly by this bonding firm, or by allowing the area to deteriorate because of a lack of funds to adequately support itself. It is a known fact that the lack of information concerning the issues of an election make people apathetic about the election. Therefore, an election is not always a true expression of the voice of the people. Even signing a petition for an election should be preceded by a full knowledge of the issues involved. This has not happened in our community. The committee for incorporation has not had one public meeting on their own since they filed the notice of intent to incorporate our area. Before they filed the notice of intent, they had a few small meetings. The people trying to incorporate our area are basing their whole campaign on an emotional basis, completely disregarding facts and even disregarding the incorporation issue, and simply making an issue of the right to vote. In other words, at the time they go around trying to get signatures from 25 percent of the assessed valuation and 25 percent of the property owners, their whole campaign is based on the fact that the people should decide, and that we are trying to obstruct the right to vote.

We feel and recommend that proper legislation should be enacted to protect a community such as ours. We feel that a fair way for a group of people to incorporate an area would be for them to say that we are going to incorporate this area, then for them to get 50 percent of the area's assessed valuation on a petition that says they, or the people who sign the petition, are for incorporation. Then at this time it should go to an election

and if the majority of the registered voters voted for it, then the town would be formed. In this manner you would have two checks - you would have the majority of the property owners in favor of it and these are the people, whether they are absentee property owners or whether they live in the area that pays the taxes. Then you would have your election by the registered voters expressing the desire of the people who actually live in the area. But you have to enact something to protect a community from being victimized as by a promotion scheme of a bonding firm.

BRADLEY: Thank you, Mr. Kavanaugh. For the record, would you care to give us the name of this bonding firm or would you prefer not to.

KAVENAUGH: No, sir, it's the J.B. Hanauer Company, a bonding firm from Beverly Hills that came to San Francisco and had this one promotion that we know of.

BRADLEY: Are there any questions from any members of the committee?

LANTERMAN: What service does the bonding company hope to perform?

KAVENAUGH: Sir, the Chamber of Commerce promised them if possible that they would get the bonds for the first five years after incorporation.

LANTERMAN: What bonds?

KAVENAUGH: I don't know. Maybe it will be bonds on small improvement districts where there would be a bond for a police station, the bonds for a city hall. We have quite a

drainage problem; there may be a movement to force a drainage district upon us. But they made the survey, as they call it, impartial, but with the promise that if possible they would get the bonds for the first five years.

LANTERMAN: Has consideration been given, from the standpoint of the economics involved, to the desirability of annexing to the City of Menlo Park?

KAVENAUGH: No, sir, it hasn't, other than that the original survey by the bonding firm took in the area west of the Bayshore Highway, but before the incorporation papers were signed this area tried to form their own town. That failed; then they tried to annex to Menlo Park and 62 percent of the assessed valuation of the property protested and killed the annexation. I believe the people in East Palo Alto wish to remain just as they are today. They don't wish to annex to Menlo Park; they don't wish to incorporate.

BRADLEY: Mr. Kavanaugh, we appreciate very much your presentation and the length of time that you had to wait in order to make it. Thank you.

Now we have representatives here from the City of Los Altos. Would you come forward please? Before you begin I would like to state that we will continue with our hearing here even if we have to run just a little after five o'clock. We do have, after the presentation by the City of Los Altos, a presentation by Miss Jane Hicks, and then Mr. Jack Gunn, representing our County Executive. I guess that's about it unless there is now a

representative here from the City of Pacifica. Would you gentlemen give your names and your positions for the record?

JOHN HOPE, Chief Administrative Officer, City of Los Altos: Yes, sir, I am John Hope, Chief Administrative Officer for the City of Los Altos. Los Altos incorporated on December 1, 1952, and I was hired by the city in April of 1953. As there is no one still attached to the City of Los Altos who was involved in our incorporation, I requested our first mayor and former councilman, Mr. A. Watson Connor, to prepare a paper, which he did, and which he will present to you on incorporation practices and problems.

I have a few preliminary remarks which I had intended to make, but my thunder has largely been stolen by some of the previous speakers. However, at the risk of being repetitious, I would like to first make a couple of observations and then some comments upon a question raised earlier by Mr. Lanterman.

We heard during the war the jokes emanating from officer training schools about these boys now being officers and gentlemen by act of Congress and we have many areas in California which now by act of the Legislature, or pursuant to acts of the Legislature, are cities. However, whether or not they are truly cities is another question. I recall as a student of local government at the University of California, the instructor, one Richard Graves, asked us at the outset, what is a city. Well, it's a . . . yeah, what is a city? And so this graduate seminar decided that a city was an economic center, a social center or a cultural center. I think we might extend upon the last, the

cultural center, as defining an area which has a unique flavor or character, a character which is all its own and which is worth preserving. Those areas which do not meet these characteristics, regardless of the fact that they have gone through incorporation proceedings, are not in my opinion cities. I make no reference to any . . . present company excepted. This is by way of observation but I think it must be the concept, the framework which you gentlemen will adopt when you review the testimony that has been given to you both here and in southern California on incorporation practices.

Now I would like to comment upon the summit conference question raised by Mr. Lanterman. Unfortunately, the question was posed to Mayor Brazil about a city which was incorporated fairly recently and their municipal memory does not extend as far back as ours. However, this summit conference, Mr. Lanterman, was held in this county under the aegis of the Santa Clara Inter-city Council and it was held, as I recall, in the spring of 1954 at which time, due to the good offices of Carl Belser, the County Planning Director, a map of jurisdictional boundaries was prepared and suggested for adoption. This map laid out tentative jurisdictional boundaries for all the cities in the county. As a matter of fact, it wrapped these same boundaries around some of the unincorporated areas at that time which have since incorporated, namely Cupertino and Saratoga, and had indicated that those were separate entities, communities, going concerns, although not incorporated, and as such, should be preserved. Unfortunately,

this map was never adopted by the several cities in the county because of the objections, partially of the City of Mountain View, but largely because of the unwillingness of the City of San Jose to go along. It would seem to me that something could be done about the crazy quilt patch. At the risk of the always dangerous talking off the top of your head, the thought that struck me here is that we might prepare some legislative device for describing a rational boundary around a community. This boundary, let's say, would be prepared by an outside impartial agency and I would refer, for instance, to the local planning department in the planning office of the State Department of Finance, which has a planning agency composed of four members nominated by the League of California Cities, as I recall, and four by the County Supervisors Association. It is an agency from which you could expect not only technical confidence in planning but impartiality by virtue of the fact that all the members there, I believe in this particular case, are from outside the county. So it might be that if half, or 60 percent, or two-thirds of the municipalities in the county, or two-thirds of the jurisdictions including the county as one of them, were to go to this planning agency, that that agency, being impartial, might study the situation and set up community jurisdictional boundaries within which then the city might feel free to wheel and deal on uninhabited annexations, as it were, knowing that they were merely blocking out the area or filling up the area that had previously been blocked out and the area within which it was logical for them to annex.

I might suggest that if we had this device set up whereby the municipality then could have its ultimate boundary established on a rational basis that we might in that particular case even allow non-contiguous uninhabited annexations, knowing full well that as the future progressed this area would be totally within the city and we might give the city then a real chance at planning this area which is within its logical and rational sphere as laid out by a technically competent agency under the guidance of a completely objective and non-prejudiced body representing both the cities and the counties. However, I offer that, fully aware of the danger of wheeling and dealing and talking off the top of your head. I would like now to introduce Mr. A. Watson Connor, our first Mayor and a former councilman, who will present our formal statement on incorporation practices and problems.

A. WATSON CONNOR, Former Mayor and Councilman, Los Altos: Mr. Chairman, honorable members of the State Legislature, ladies and gentlemen, as I have listened to these presentations today, I wondered whether I had missed the boat because I didn't prepare a history of Los Altos. If you want to ask any questions about it, I shall be glad to try to answer them. I merely prepared a few notes on what I thought might be good suggestions for changes in the law, or repeal, or additions to the law.

Early in any incorporation campaign the sponsoring group must decide upon the boundaries of the proposed city. But during the period which, under the Government Code, must elapse before the preliminary work can be carried far enough to afford any protection, the area within the proposed city boundaries is at the mercy of any neighboring city whose Council

may consider certain parts of the area desirable additions to their own city. The very fact that an effort to incorporate has been initiated calls attention to the desirability of the area and invites such raids.

It is suggested that there should be an amendment to the Government Code which would permit early filing of a preliminary map and a legal description which, when approved for accuracy, would bar annexation within the proposed boundaries for one year, or, until the completion of the official canvass of the incorporation election, whichever period proved to be the shorter. It is suggested, also, that the amendment be so written as to permit the sponsors of incorporation to make subsequent boundary changes as follows:

- (1) To make any minor change which would improve the boundaries, even though it might add slightly to the area of the proposed city.
- (2) To make any change which would eliminate part of the area of the proposed city.

The reason for this latter provision is that the proponents may find, as the campaign progresses, that the residents of some large section or sections are very much opposed to their inclusion within the city and that their negative votes might seriously threaten the success of the incorporation campaign. The elimination of a part of the area proposed for incorporation would cause no hardship to neighboring cities or to unincorporated areas.

Sections 34515, 34516, and 34517 of the Government Code give the Board of Supervisors absolute, autocratic power to eliminate from the area proposed for incorporation any parcel or parcels. This process of elimination may go so far as to make incorporation impossible. The law makes no provision for review of their decision or for an appeal.

No group of men should have such absolute authority over their fellow citizens unless they have the wisdom of Solomon and possess wholly unbiased minds. It seems scarcely possible that any group of five men can qualify for either of these requirements. It is suggested therefore that this provision of the law be repealed.

Why should anyone outside of Russia have such arbitrary power? If the proponents choose their boundaries unwisely, the electors will defeat the proposal for incorporation. If the incorporation election is successful, the proponents of incorporation are vindicated. There seems to be no valid reason for the power which the existing law gives to the County Supervisors.

Section 34318 is so worded that many people, including some attorneys, conclude that the offices of City Clerk and City Treasurer are necessarily elective, overlooking the fact that Section 36511 permits incorporation petitions to state that the members of the city council only shall be elected and that all other city officers shall be appointed by the council. It would be helpful if these two sections were combined or cross referenced.

To many students of municipal government the provision permitting election of city clerk and city treasurer seems unwise because, by their election, two departments are created which are practically independent of the city council. The city government then becomes "a house divided against itself".

Finally, the volume of publication required of the proponents of incorporation and of the city government after incorporation seems excessive. It is a common saying that "Nobody reads legal notices". If these requirements were reduced, public funds could be saved without hardship or loss to anyone.

BRADLEY: Thank you, Mr. Connor. I would like to ask just one or two questions so that we may bring the City of Los Altos within the general purview of some of our questions. You incorporated, I believe you said, in 1952.

CONNOR: December 1, 1952, was the date of incorporation.

BRADLEY: Since that time there have been annexations by the City of Los Altos in your area?

CONNOR: A number of them, yes.

BRADLEY: Your incorporation, I presume, if my recollection serves me correctly, had many of the motivating forces that you have heard given by other cities here.

CONNOR: Very similar motivating forces.

BRADLEY: You have a full complement of municipal services, do you not, such as police and fire.

CONNOR: We have.

HOPE: We have a fire district in operation and our own police department.

CONNOR: The same is true, of course, of health and the services of the tax assessor and collector.

BRADLEY: Do you recall the approximate assessed valuation at the time you incorporated?

CONNOR: About \$15,800,000.

BRADLEY: And at the present time?

CONNOR: A little over \$33,000,000. The population was originally a little over 18,000 and my guess now is that it is somewhere around 22 or 23,000 but that's only a guess. There has been no count.

BRADLEY: You have ad valorem taxes as a principal base?

CONNOR: Yes, 23½ cents. That has remained unchanged since incorporation.

BRADLEY: You also have commercial areas in Los Altos and you therefore have an income from sales tax.

CONNOR: That's right. I would guess about \$150,000 from that source.

BRADLEY: Has your budget changed materially in the last .

CONNOR: It has increased very much. Mr. Hope knows more about that than I do because his memory is better on that.

BRADLEY: Mr. Hope, has it gone up or down or remained about the same?

HOPE: The general fund budget has increased from about \$280,000 to \$300,000 to a point now which is on the order of about \$560,000. However, you must realize that the addition of \$150,000 sales tax created a sizeable amount of income. Nevertheless, in

terms of cash load through our hands, this picture has changed materially. We spent well in excess of two million dollars last year on the basis of a bond issue for sanitary treatment plant and parking plaza development, and so on.

CONNOR: Mr. Chairman, may I add a commentary there? There was a period of about 15 or 16 months from the time of incorporation until we received the first tax receipts. At the end of that time all bills were paid and we had about \$83,000 in the bank.

HOPE: Let me put that into context a little more clearly. When I came to work in April of 1953, our cash balance from all sources, including business licenses, was down to \$2,500. I panicked; we borrowed \$3,000; our cash balance then never went below \$4500 so we would have a cushion. It was paid off out of the automobile in lieu tax receipts in June of 1953, so we could have gotten by without borrowing a cent.

JOHNSON: Mr. Bradley, may I interrupt at this point? Mr. Klockslem and I, gentlemen, have to catch a plane back to Los Angeles and I want to apologize for having to run out on your testimony; in fact, all the testimony today has been very interesting and you have certainly been a lot of help to the committee. I wish I had the opportunity of staying to listen to Jane Hicks' remarks since she was the first city clerk of Fremont, and before she went there, I had occasion to work with her when she was Executive Secretary of the Public Health Committee of the Assembly. So, Jane, I will look forward to possibly hearing from you in Los Angeles. Our apologies, gentlemen. Clark, thanks for a very fine hearing.

BRADLEY: That's perfectly all right, and I see an officer is here waiting to take you to the airport.

JOHNSON: When I see an officer I am always ready to go!

LANTERMAN: May I ask a question of Mr. Connor please?

BRADLEY: Mr. Lanterman.

LANTERMAN: Mr. Connor, I notice this "why should anyone outside of Russia have this arbitrary power" statement relative to the board and their elimination of sections or areas in the boundary discussions. Now in Los Angeles it had even been proposed that the boundary commission should be set up a little bit more broadly with more authority so that irresponsible boundary proposals might more properly be eliminated at that time in relation to this area of city desire, or adjacent city interests. Now this is the question that arises in my mind. The 5 percent deviation that is allowed a city council in an inhabited annexation proceeding has been used for the purpose of eliminating areas to prevent a large section that would have otherwise voted against the annexation. When we proposed to put that 5 percent deviation in, I remember at the time I protested, and I said this thing should not be used for this purpose. It should be used only to straighten out boundary lines where an obvious disparity created a real inappropriate boundary line, and the deviation permission given to the city council in its annexation proceedings should be limited so that only a minor variation of boundary lines could be straightened out, so in this way we couldn't take and gerrymander out those which would otherwise have had an important bearing on the annexation proceeding.

Now, should not this apply also in the formation of new cities? If an area was going to be unacceptable as part of a major section of a proposed community and could be thereby eliminated, that would segregate them actually from the social or economic factor of their relationship to the community as a whole, and actually would be disenfranchising them in an expression as to whether or not the city should be formed.

CONNOR: Mr. Lanterman, may I answer that? It so happens that I was the chairman of the incorporation committee. I headed this thing from the beginning, and the tentative areas which we laid out on the map for our own use included a much larger area than eventually went into the City of Los Altos. I personally went into a number of sections. For instance, there is one section called Green Acres across Adobe Creek toward Barney Park from Los Altos as it now exists, and it seemed logical that we should go beyond that to Atascadero (?) Road. So I went to the people in this section and asked them if they had any sort of an organization which could consider whether or not they wanted to be in the proposed City of Los Altos. They took about two weeks to go over the proposal, and came back and said they would rather not. I said, that's all right, we will just eliminate your section. Don't you think that's the proper thing to do? They didn't want to be included; they asked not to so we scratched them off.

LANTERMAN: Well, by comparison, wouldn't the Board of Supervisors also have the same right? If a protesting group came

in and made a formal presentation of protest of being included, that would be their official means to have an exclusion performed by the prime legislative body of the county. In other words, supposing you hadn't gone to them and they wanted to be excluded, their only recourse then would be through the board - petitioning the board for exclusion. Now, isn't that a proper procedure?

CONNOR: In theory I agree with you fully. In practice I think that the supervisors, however conscientious they may be, are very largely disinterested, and they are not in close touch with the community. That's the reason I think that the proponents of incorporation should be allowed to reduce the area when they find that a large section wants to be eliminated.

LANTERMAN: Don't you think that actually this should be the function of a boundary commission in order to have some sort of an official balance on this thing so that people will have a petition body to approach so that this can be done, not on the will of a voluntary group who are proposing to set up a community, but with some sort of a check and balance across the board. If it isn't the board of supervisors, it should be the boundary commission with a broad base of authority.

CONNOR: Again, in the boundary commission, why are the men who have certain duties in the county . . . what gives them the qualification to decide? They are not judges; they are not engineers; they are not widely versed in municipal government or in county government as outside of their own particular line. If you would look over the list of the officers who formed the boundary commission . . .

LANTERMAN: Well, if the boundary commission were set up for that purpose, that would be another thing. You see the League of Cities has consistently refused to allow a boundary commission to have any authority and therefore the boundary commission at the present time is purely and simply to determine whether or not the legal boundaries are adequately or accurately described. They are just the engineers involved in determining boundary accuracy, and they approve or disapprove of boundary accuracy only. With a broader commission that would be generally acceptable countywide, you might be able to avoid some of these things that have happened. That's all I'm getting at.

CONNOR: Well, actually, as a matter of routine in Santa Clara County, the boundary commission, with all due respect to those gentlemen, and I've known some of them personally and liked them very well, act as a rubber stamp. Each matter is referred to the county engineer and the county engineer refers it to one of his assistants who isn't so high in the department and whose job it is to ferret it out and see whether the boundary has been described properly.

LANTERMAN: That's because they are limited in their authority; so, therefore, there is nothing to approve except as it conforms to existing boundaries.

CONNOR: And if they are going to keep the general provisions of the law as they now are, they would expedite matters if the law merely said each boundary should be referred to the county engineer who would be required to report in so many days whether it is a correct description.

LANTERMAN: Well, I've made my point and so have you, so we will pass it on from there.

BRADLEY: Thank you, gentlemen. If there is anything else you wish to summarize, why fine. We have your statement, Mr. Connor, which will be incorporated into our record. I am sorry that you had to wait so long today before you had an opportunity to be heard but we appreciate very much your patience and your courtesy in appearing before the committee.

HOPE: I have one last comment on this same question. I think it relates back to my original observation, but the unincorporated community is a doggoned difficult thing to identify. It's easy enough to put your finger on the core of it but on the fringes it is difficult to say where this thing starts and where it stops. I've talked to a number of people since I have been in Los Altos. Everyone, in looking back since 1950, had a different definition of what Los Altos was. Supervisor Cooley (?), I think it was, called it from Atascadero (?) to Grant to Stevens Creek and from El Camino to Skyline. Others define it much differently. I think that the essence of Councilman Connor's point was that this question is much better solved on a local basis by the incorporation committee which could settle it more wisely. Of course, incorporation committee members would find out on election day if they had acted unwisely.

LANTERMAN: We want to be careful of these fringe benefits.

CONNOR: May I say one more thing? On this question

of the 5 percent variation, the only time that the Council of the City of Los Altos ever took advantage of that was because there were two people, that is two householders, who were right on the edge of an uninhabited annexation who said they didn't want to come in. So we sat down to see whether we could legally eliminate them. We found we could so we said all right we have that 5 percent.

LANTERMAN: That was not the experience of San Diego and it was used there for gerrymander, and I merely say that the law should be spelled out to prevent that kind of gerrymander.

CONNOR: Gerrymandering should never be permitted. I don't believe in strip annexations or anything of that kind. I think that map over there is a disgrace and I don't mind saying so publicly.

LANTERMAN: I'll agree.

BRADLEY: Thank you, gentlemen. Miss Hicks please?

MISS JANE HICKS, Public Relations Director, Coro

Foundation: Thank you, Mr. Chairman.

The Coro Foundation of San Francisco and Los Angeles, as an organization conducting research and education in government and politics, is honored to have this opportunity to present information to your committee on the subject of incorporation and annexation studies made by interns in our public affairs training program.

In the past eight years 15 studies have been made of areas interested in the possibility of incorporation or annexation. With four exceptions these studies have been prepared by Coro trainees who carried out the projects as a part of their nine months internship.

For a brief period the Foundation maintained a Consulting Service, and staff members carried out four studies during this time. However, the Coro Foundation policy of objectivity was also maintained by this Service.

INCORPORATION/ANNEXATION STUDIES MADE BY CORO FOUNDATION INTERNS

No recommendations are made since it is believed that local citizens are best qualified to make decisions on the basis of facts presented in the reports.

<u>Date</u>	<u>Area Surveyed</u>
1950	Hanford Annexation, Kings County
1952	Lafayette Area, Contra Costa County
1953	Hillview Crest, Alameda County
1953	Washington Township, Alameda County
1953	Woodside, San Mateo County
1953	San Leandro-Hayward-Urban Fringe Area, Alameda Co.*
1953	La Vista Annexation for City of Hayward*
1954	Cupertino, Santa Clara County*
1954	Saratoga, Santa Clara County*
1955	Colma Area, San Mateo County
1955	Washington Manor, Alameda County
1955	El Sobrante Civic Survey, Contra Costa County
1956	Boyes Hot Springs Area, Sonoma County
1956	Novato Area, Marin County
1957	Annexation Feasibility-Area Southeast of City of Oakland

* Prepared by Coro Foundation Consulting Service

In most instances the reports were prepared at the request of a citizen committee interested in obtaining the facts on which to base their decisions as to the future of their community. The interns undertook the surveys with the clear understanding that the Foundation's policy of objectivity was to be maintained and no recommendations as to citizen action would be made. No remuneration was received by the trainees other than direct mileage costs.

We emphasize to the citizens groups making use of the intern's services that they are trainees, inexperienced in the field. As a part of the training, the intern is left very much on his own as to methodology in carrying out the project. We believe it is important to encourage individual initiative on the part of young people who are aiming for a life in public service.

To my knowledge four of the areas surveyed have incorporated. Annexations may have been carried out in others.

At the suggestion and under the supervision of the League of California Cities staff, the governmental activities of two newly incorporated cities were studied by an intern; Milpitas and Los Altos. The studies covered the reasons for incorporation and a history of the first 19 months following the election. Again, may I emphasize that these are the work of students, untrained and inexperienced in this very complex field. We would be happy to make these studies available to the committee if they would be of help.

As some of you may know, as a staff member of Louis J. Kroeger and Associates, I was appointed acting city clerk and/or acting city manager in three new cities, Fremont, Woodside and Pacifica. My experiences there were fascinating to a student of political science and one dedicated to the democratic way of American government. While I understand your emphasis is on the period prior to incorporation, I would be happy to answer any questions you may have on the post-incorporation period.

BRADLEY: I will ask if there are any questions of Miss Hicks.

LANTERMAN: I have no desire to become an intern but I do appreciate Miss Hicks and her long service with the Legislature.

BRADLEY: I will say, Miss Hicks, that the statement which you have presented and which is received as a part of our record does present a very amazing record of surveys. We appreciate your patience in waiting to appear before the committee.

MISS HICKS: Thank you. It has been an interesting day.

BRADLEY: Now may we have Mr. Gunn?

JACK GUNN, Administrative Analyst, Santa Clara County Executive's Office: Surely. I am Jack Gunn, Administrative Analyst on the staff of Howard W. Campen, the Santa Clara County Executive. Mr. Campen could not be present this afternoon and asked me to speak for him with reference to the matter of city-county contracts. In the interest of time, Mr. Chairman, perhaps I could simply state that I would like to present the report done by our office recently on Santa Clara County Contractual Services to Cities, and very briefly give you a summary of those services?

BRADLEY: Do you have a prepared copy of your report?

GUNN: I do not have a prepared statement to submit to the committee but I have a copy of the report which I would be glad to submit to you. (Complete report in Committee files in Sacramento.)

Very briefly, there are six areas of services which the County performs. The first one, police services, has already been discussed. Our study revealed that as with the other services, contract services had risen rather helter-skelter through the past six years as these new cities incorporated, and it was time to do a consolidated study of the whole problem of contractual services. This we did. We discovered that in some instances the charges were too low. We have since revised the charges and raised them to a point where they are fair, we feel, both to the contract cities and to the non-contract cities. Our basic interest

was to make sure that the taxpayers on both sides of the fence were paying their fair share for the services they were receiving. The City of Saratoga, for example, was paying about \$19,000 per year and is now paying a little over \$25,000 per year for police services by the County Sheriff's Department. So much for the police services, except to say that we have been able to provide them cheaper than the individual cities could probably serve themselves since we have to patrol the adjacent unincorporated areas in the county anyway and there is very little additional cost to the Sheriff's Department to simply go right on through the newly incorporated city. In many instances it was necessary to go through those cities in the performance of their patrol services of the adjacent unincorporated areas.

The second area of service is the countywide communications network. This includes every city in the county except San Jose and Palo Alto. The charges have been revised and now are based on so much per radio unit and so much per type of equipment that is used. This includes an answering and dispatch service and, just as the telephone companies do, it is charged on the basis of the number of calls or the number of units.

The third type is engineering services. I might mention that we at present have three contracts for engineering services. The payment to the county comes directly from the subdivider. The engineering department does the survey and the engineering check for the subdivision builder, and the fee which he would pay pursuant to the contracting city's ordinance would go directly to

the County. That is the County's contractual fee for the service. Our study revealed that the fees were a little bit low and the recommendation was that we adopt a sliding scale of fees which would be higher than those previously charged.

The fourth area of service is building inspection. We contract to provide this service for three cities and, again, the fees paid by the builder for the building permit, electrical permit, plumbing permit, and as applicable, house-moving permit, are split between the county and the city. The County, in doing the service, retains 80 percent of the permit and the city 20 percent.

The fourth area of service is planning services. They are of two types. One is the everyday planning service; that is, zoning information to people inquiring about zoning ordinances and various questions that people, or cities, submit to the planning department. This type of planning service is done on a strictly at-cost basis. For example, if a subdivision review is requested of a planning department by a contract city, the actual time spent is recorded and the salary of the personnel involved becomes the cost. The other type of planning service is a contract for a planning study of a metropolitan area. The two that we are doing this year - that the planning department is doing - are for the cities of Morgan Hill and Gilroy. The actual costs are recorded on the basis of the number of hours spent and the number and cost of materials, and then the cost is divided on a 50-50 basis. Since at least 50 percent of the area comprising the

study is still unincorporated area, it was of course determined it would be fair to charge the city no more than 50 percent of the actual cost.

That briefly is a summary of the contract services offered by our county. I would be happy to answer any questions on any specific aspect of these services.

BRADLEY: Mr. Lanterman.

LANTERMAN: Yes, I would like to ask a question.

We have had this problem of cost brought before us in Los Angeles and there has been considerable criticism leveled at the possibility the county could render a wholesale service at a cheaper rate than the city could set it up for its own use, particularly if it was a smaller city. The question I wish to raise is the one that has been raised there. Do you include every possible facet of charge relative to administrative cost, retirement, and all of these things, on a cost accounting basis allocated to the city for these services?

GUNN: Mr. Lanterman, we include every item of expenditure, such as salary, retirement and California Physicians Service payment, which the County makes - all of these items are included. There are some items that are not included in our cost analysis for a very specific reason; that is, capital outlay items which would be required to be purchased by the county department regardless of whether or not any services were given to incorporated areas are not allocated in this study on the basis that it is unfair to the taxpayers of the contract city to charge them for those items.

LANTERMAN: Well, I would like to have a little enlargement on that. For instance, if the county were to have to secure additional equipment for the purpose of rendering a service that it otherwise would not, then that cost would not be waived.

GUNN: If the County were required to purchase additional equipment in order to provide the service requested by the contract city, that item in full would be included - and was included in the cost analysis.

LANTERMAN: However, if it is a gratis allocation of equipment already purchased, is that not a true cost accounting valuation to the city for a contract?

GUNN: Well, we feel that it is. We feel that it would be better cost accounting from the standpoint of fairness to the taxpayers of both contract and non-contract cities not to charge them for items located in, for example, the central office of the Sheriff's Department that would have to be purchased anyway or were already installed. We do charge them, in cost analysis, for the upkeep and maintenance of those items but since they were already purchased and in our possession, we do not feel it is proper cost accounting procedure to add on something in addition to the cost of maintaining those central office items.

LANTERMAN: Fairness is all we're looking for and all that I'm pressing for is to get into this record the fact that the contract services are not a form of free ride under whatever guise to a new city that is receiving, or an older city for that

matter, subventions and grants from the State that are granted to the unincorporated territory served by the County.

GUNN: Mr. Lanterman, we are heartily in agreement with that and our position was that as things previously stood the County was giving a partially free ride to some of these contract cities, and in nearly every instance the charges were raised. For example, the City of Cupertino was paying \$12,000 per year; it is now paying \$16,709 per year. Los Altos Hills was raised from \$6,000 to \$8,355; and Monte Sereno from \$1,654 to \$2,088 per year. We found that there was a partial free ride involved in many of these services and we have endeavored to correct that so that they pay their fair share.

LANTERMAN: Thank you very much.

BRADLEY: Thank you, Mr. Gunn, and we also wish to thank you for your patience in waiting. Now, Mr. Kroeger.

LOUIS J. KROEGER, Louis J. Kroeger and Associates:
I am Louis J. Kroeger of the management consulting firm of Louis J. Kroeger and Associates. As I think I told the committee when I appeared in Los Angeles, our interest in this stems from the fact that we have conducted nine of the pre-incorporation studies, and in three cases which you have had under discussion, such as Fremont, we have also served as a sort of interim management for the city after it incorporated. I would like to make the record abundantly clear on one thing, incidentally, which was suggested to me by the trend of some questions from time to time, and that is that we have not solicited this

type of business. In each case we have been invited to make the study. We are not involved in the campaign aspect. I think I touched on that in Los Angeles. Our function has been in the preincorporation study and to report the facts. I am hesitating a moment - I think it's right that in each of these nine cases the facts have supported incorporation, but our purpose has not been to prove the case one way or the other. I think the fact is that usually a local group doesn't raise the money and get started on the study unless they are pretty sure that the facts are going to show that to begin with.

Now my principal reason for being here is that you asked me if I would be available in Northern California to answer any questions on the Fremont story and others. I think in view of the lateness of the hour, I might just leave with you - unfortunately, I have just one copy - a document entitled "An Episode in the Fremont Story" which we wrote at the conclusion of our experience in Fremont. It describes very briefly just what we did. I think its value to you would be mainly that this shows in very concise form just what problems a new city confronts and what service it requires from the instant of incorporation. This does have a very slight sales pitch flavor to it in that we prepared this to show any others who were interested what this interim service could be. We haven't pushed it at all, but it's something we keep on hand. If we get an inquiry from a new city about what we can do, we say, well, this is what we did in Fremont. And this would substantially be the story of Woodside and Pacifica

as well, except of course, both of those are much smaller cities and the scope of the service was less. I did make the point in Los Angeles, and I want to repeat it here, that one of the things I think this committee should give some attention to is the timetable of events. Immediately after incorporation, the new city is confronted by a maze of problems. They can and have on occasion panicked in the face of that, and I think that if in the many things that are done there could be some step taken to ease the city into its official existence, that would be a contribution to a sounder basis of organizing cities.

So, I will leave this document with you for incorporation into the record or to use as you wish. (In Committee files in Sacramento.)

BRADLEY: I would very much like to have you present that to the committee. Are there any questions from Mr. Lanterman or Mr. Britschgi? Apparently not. May we also extend our apologies to you, Mr. Kroeger, for the length of time we have caused you to wait.

LANTERMAN: I'll ask one brief question, if I may. In making a study of a community as to whether or not it would be advantageous to them to incorporate, do you segregate the economic factors from the political advantages of home rule, zone control, homogeneity, boundary protection, and all that sort of thing? Also, are the economic factors of income for the city's maintenance separately considered, such as sales tax, subvention grants, and so forth?

KROEGER: Yes, we do that. In the report we line out the reasons which appear to favor incorporation and the reasons that appear to stand against incorporation. These may be economic, psychological, geographical, or any number of things. We then prepare what amounts to the first budget for the new city, should they incorporate, indicating the various sources of revenue that it would obtain. We try to indicate in our judgment what the expenditure budget would be, going into some detail as to the kind of departments they would have or, in the alternate, assuming contracts with the county, and then coming to the ultimate conclusion, which is the real thing that we are generally asked to find out, and that is about what will this cost in property tax rate. Now this involves one other thing and that is some assumptions as to what will happen to the special districts. We show this as a city rate, and then we also set it out as a net property tax rate where there may be special districts eliminated. In the City of Downey, for example, that effect was an actual saving- I forget the actual amount of it - but there was a saving by virtue of their withdrawal from the County Fire Department. That is the complete picture we give and at that point we stop. As far as the political arguments are concerned, I think that's for the local people to determine for themselves.

LANTERMAN: Well, I'm not interested in the political arguments. Of course this is a transfer from this area to the southern problem, but it interested me very much to know what the saving would be based upon in that instance. Did you make that

in the form of a formal report to the city - relative to the fire department? Was that part of a full study or was it a separate recommendation?

KROEGER: This was a part of the pre-incorporation study before Downey incorporated. Our manner of setting the thing out showed that if upon incorporation they did withdraw from the County Fire District, then the net effect of incorporating a city would be a net saving in property tax.

LANTERMAN: Well, in that instance, was the amount received in payment in cash by virtue of their withdrawal from the fire department one of the considerations?

KROEGER: We took into account the assets which they would get, either in cash or in facilities, and assumed that if it was cash it would be used as capital outlay reserve for buying and equipping further fire stations as they were required. This was the pattern for Fremont too, where four districts were abolished. All of the money that was obtained from the four districts was set up first in a capital reserve fund to be saved for fire development improvement. We turned around immediately and borrowed that money for general fund purposes, but it was first reserved for capital purposes. We proposed that Downey do the same. We weren't in Downey after it incorporated so I don't know what they did with it but that was the suggestion.

LANTERMAN: Of course one of the problems there was what the cumulative effect of this withdrawal is going to do to the balance of the fire department in the county and whether a

series of ten pins that are proceeded to be knocked down with one ball might be detrimental in the long run. While there might be a saving, as you have indicated, to that one community, the cumulative effect might be detrimental to the entire metropolitan area, and the disruption of the County Fire Department through a series of events might well prove disastrous if other communities did likewise. What would happen in the event of a major conflagration where the County's integrated system has proven to be a very satisfactory and a most efficient unit? Once destroyed, or once decimated, this would certainly have a very detrimental impact upon the rest of the area.

KROEGER: Well, I can see that that poses a very serious problem. My recollection is that our report on Downey didn't make any recommendation one way or another. It set out the facts. The incorporating committee had as one of their major objectives, before we ever got into this - this incidentally was about their third try at incorporating. . . .

LANTERMAN: Yes, I know.

KROEGER: They had very strongly in their mind that one of the reasons for doing it was that they felt they were paying more for fire protection than they were getting and when this financial outline that we prepared seemed to indicate that, I think it was a foregone conclusion that if they got a city they were going to get out of the district. We didn't, I repeat, recommend it; we simply showed what the facts were.

LANTERMAN: One of the things that I'm trying to bring out is not that you should or should not have said what you did,

or they should have done what they did, that was their choice, but the point I'm getting at is sometimes these procedures in a metropolitan area like Los Angeles County that is so deeply integrated as to its fire needs, and so forth, may not in the long run be the kind of thing that we should have done, because we have a metropolitan problem to deal with there and a local benefit may or may not be beneficial to the county as a whole. These are the things that we ought to study concurrently with whatever governmental studies are made in such an area. We may be costing the metropolitan area of the county not just the destruction of a metropolitan type fire district, but we may be causing a cumulative cost that had not been figured on in the first place. That's one of the reasons I wanted to bring that out.

BRADLEY: Thank you, gentlemen, and I want to thank you, Mr. Kroeger. I would like for the record to express the thanks and appreciation of our committee to the city administration of San Jose for the use of the city council chambers, and indicate our thanks to Mr. Richard Garród who supplied the committee with some of our local delicacies, Santa Clara prunes.

Ladies and gentlemen, the Committee stands adjourned.

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